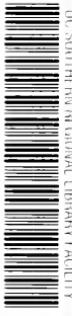


UNITED STATES RAILROAD ADMINISTRATION
DIRECTOR GENERAL OF RAILROADS
BULLETIN NO. 4 (Revised)

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PUBLIC ACTS
PROCLAMATIONS BY THE PRESIDENT
RELATING TO THE UNITED STATES
RAILROAD ADMINISTRATION
AND
GENERAL ORDERS AND CIRCULARS
ISSUED BY THE DIRECTOR GENERAL
OF RAILROADS

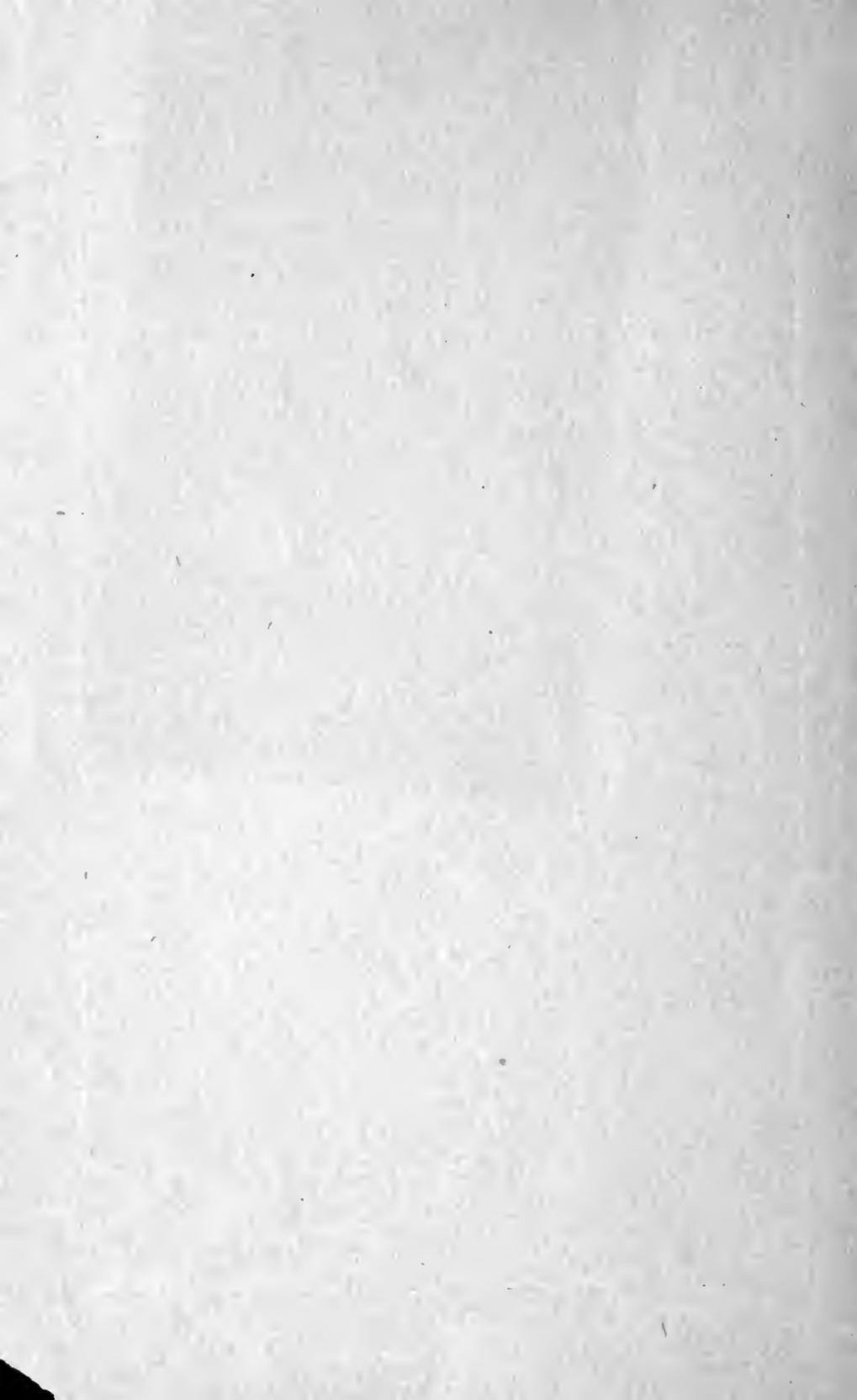
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DECEMBER 31, 1918



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1919



UNITED STATES RAILROAD ADMINISTRATION
DIRECTOR GENERAL OF RAILROADS
BULLETIN NO. 4 (Revised)

PUBLIC ACTS
PROCLAMATIONS BY THE PRESIDENT
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OF RAILROADS

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WASHINGTON
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1919

UNITED STATES RAILROAD ADMINISTRATION.

W. G. McADOO, *Director General.*

WALKER D. HINES, *Assistant Director General.*

OSCAR A. PRICE, *Assistant to the Director General.*

M. BRICE CLAGETT, *Private Secretary to Director General.*

Division of Finance and Purchases:

JOHN SKELTON WILLIAMS, *Director.*

General Counsel:

JOHN BARTON PAYNE.

Division of Operation:

CARL R. GRAY, *Director.*

Division of Traffic:

EDWARD CHAMBERS, *Director.*

Division of Labor:

W. S. CARTER, *Director.*

Division of Public Service and Accounting:

CHARLES A. PROUTY, *Director.*

Division of Capital Expenditures:

ROBERT S. LOVETT, *Director.*

Division of Inland Waterways:

G. A. TOMLINSON, *Director.*

Actuary to the Railroad Administration:

THEODORE H. PRICE.

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PUBLIC ACTS AND PROCLAMATIONS.

[Extract.]

[Public—No. 241—64th Congress.]

[H. R. 15947.]

An act making appropriations for the naval service for the fiscal year ending June thirtieth, nineteen hundred and seventeen, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That the following sums be, and they are hereby, appropriated, to be paid out of any money in the Treasury not otherwise appropriated, for the naval service of the Government for the year ending June thirtieth, nineteen hundred and seventeen, and for other purposes: * * *

Section six of an act entitled "An act to regulate commerce," approved February fourth, eighteen hundred and eighty-seven, as amended March second, eighteen hundred and eighty-nine, and June twenty-ninth, nineteen hundred and six, which reads:

"That in time of war or threatened war preference and precedence shall, upon demand of the President of the United States, be given over all other traffic for the transportation of troops and material of war, and carriers shall adopt every means within their control to facilitate and expedite the military traffic."

be amended to read as follows:

"That in time of war or threatened war preference and precedence shall, upon demand of the President of the United States, be given over all other traffic for the transportation of troops and material of war, and carriers shall adopt every means within their control to facilitate and expedite the military traffic. And in time of peace shipments consigned to agents of the United States for its use shall be delivered by the carriers as promptly as possible and without regard to any embargo that may have been declared, and no such embargo shall apply to shipments so consigned." * * *

[Extract.]

[Public—No. 242—64th Congress.]

[H. R. 17498.]

1st tele
An act making appropriations for the support of the Army for the fiscal year ending June thirtieth, nineteen hundred and seventeen, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That the following sums be, and they are hereby, appropriated, out of any money in the

Treasury not otherwise appropriated, for the support of the Army for the year ending June thirtieth, nineteen hundred and seventeen. * * *

The President, in time of war, is empowered, through the Secretary of War, to take possession and assume control of any system or systems of transportation, or any part thereof, and to utilize the same, to the exclusion as far as may be necessary of all other traffic thereon, for the transfer or transportation of troops, war material and equipment, or for such other purposes connected with the emergency as may be needful or desirable. * * *

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA.

A PROCLAMATION. *17/24/1917*

Whereas the Congress of the United States, in the exercise of the constitutional authority vested in them, by joint resolution of the Senate and House of Representatives bearing date April 6, 1917, resolved:

That the state of war between the United States and the Imperial German Government which has thus been thrust upon the United States is hereby formally declared; and that the President be, and he is hereby authorized and directed to employ the entire naval and military forces of the United States and the resources of the Government to carry on war against the Imperial German Government; and to bring the conflict to a successful termination all of the resources of the country are hereby pledged by the Congress of the United States.

And by joint resolution bearing date of December 7, 1917, resolved:

That a state of war is hereby declared to exist between the United States of America and the Imperial and Royal Austro-Hungarian Government; and that the President be, and he is hereby authorized and directed to employ the entire naval and military forces of the United States and the resources of the Government to carry on war against the Imperial and Royal Austro-Hungarian Government; and to bring the conflict to a successful termination all the resources of the country are hereby pledged by the Congress of the United States.

And whereas it is provided by section 1 of the act approved August 29, 1916, entitled "An act making appropriations for the support of the Army for the fiscal year ending June 30, 1917, and for other purposes," as follows:

The President in time of war is empowered, through the Secretary of War, to take possession and assume control of any system or systems of transportation, or any part thereof, and to utilize the same, to the exclusion, as far as may be necessary, of all other traffic thereon, for the transfer or transportation of troops, war material, and equipment, or for such other purposes connected with the emergency as may be needful or desirable.

And whereas it has now become necessary in the national defense to take possession and assume control of certain systems of trans-

portation and to utilize the same, to the exclusion, as far as may be necessary, of other than war traffic thereon, for the transportation of troops, war material, and equipment therefor, and for other needful and desirable purposes connected with the prosecution of the war;

Now, therefore, I, WOODROW WILSON, President of the United States, under and by virtue of the powers vested in me by the foregoing resolutions and statute, and by virtue of all other powers thereto me enabling, do hereby, through Newton D. Baker, Secretary of War, take possession and assume control at 12 o'clock noon on the 28th day of December, 1917, of each and every system of transportation and the appurtenances thereof located wholly or in part within the boundaries of the continental United States and consisting of railroads and owned or controlled systems of coastwise and inland transportation engaged in general transportation, whether operated by steam or by electric power, including also terminals, terminal companies, and terminal associations, sleeping and parlor cars, private cars and private car lines, elevators, warehouses, telegraph and telephone lines, and all other equipment and appurtenances commonly used upon or operated as a part of such rail or combined rail-and-water systems of transportation; to the end that such systems of transportation be utilized for the transfer and transportation of troops, war material, and equipment, to the exclusion so far as may be necessary of all other traffic thereon; and that so far as such exclusive use be not necessary or desirable such systems of transportation be operated and utilized in the performance of such other services as the national interest may require and of the usual and ordinary business and duties of common carriers.

It is hereby directed that the possession, control, operation, and utilization of such transportation systems, hereby by me undertaken, shall be exercised by and through William G. McAdoo, who is hereby appointed and designated Director General of Railroads. Said director may perform the duties imposed upon him, so long and to such extent as he shall determine, through the boards of directors, receivers, officers, and employees of said systems of transportation. Until and except so far as said director shall from time to time by general or special orders otherwise provide, the boards of directors, receivers, officers, and employees of the various transportation systems shall continue the operation thereof in the usual and ordinary course of the business of common carriers, in the names of their respective companies.

Until and except so far as said director shall from time to time otherwise by general or special orders determine, such systems of transportation shall remain subject to all existing statutes and orders

of the Interstate Commerce Commission and to all statutes and orders of regulating commissions of the various States in which said systems or any part thereof may be situated. But any orders, general or special, hereafter made by said director shall have paramount authority and be obeyed as such.

Nothing herein shall be construed as now affecting the possession, operation, and control of street electric passenger railways, including railways commonly called interurbans, whether such railways be or be not owned or controlled by such railroad companies or systems. By subsequent order and proclamation, if and when it shall be found necessary or desirable, possession, control, or operation may be taken of all or any part of such street railway systems, including subways and tunnels; and by subsequent order and proclamation possession, control, and operation in whole or in part may also be relinquished to the owners thereof of any part of the railroad systems or rail and water systems, possession and control of which are hereby assumed.

The director shall, as soon as may be after having assumed such possession and control, enter upon negotiations with the several companies looking to agreements for just and reasonable compensation for the possession, use, and control of their respective properties on the basis of an annual guaranteed compensation above accruing depreciation and the maintenance of their properties equivalent, as nearly as may be, to the average of the net operating income thereof for the three-year period ending June 30, 1917, the results of such negotiations to be reported to me for such action as may be appropriate and lawful.

But nothing herein contained, expressed or implied, or hereafter done or suffered hereunder, shall be deemed in any way to impair the rights of the stockholders, bondholders, creditors, and other persons having interests in said systems of transportation or in the profits thereof to receive just and adequate compensation for the use and control and operation of their property hereby assumed.

Regular dividends hitherto declared and maturing interest upon bonds, debentures, and other obligations may be paid in due course; and such regular dividends and interest may continue to be paid until and unless the said director shall from time to time otherwise by general or special orders determine; and, subject to the approval of the director, the various carriers may agree upon and arrange for the renewal and extension of maturing obligations.

Except with the prior written assent of said director, no attachment by mesne process or on execution shall be levied on or against any of the property used by any of said transportation systems in the conduct of their business as common carriers; but suits may be brought by and against said carriers and judgments rendered as

hitherto until and except so far as said director may, by general or special orders, otherwise determine.

From and after 12 o'clock on said 28th day of December, 1917, all transportation systems included in this order and proclamation shall conclusively be deemed within the possession and control of said director without further act or notice. But for the purpose of accounting said possession and control shall date from 12 o'clock midnight on December 31, 1917.

In witness whereof I have hereunto set my hand and caused the seal of the United States to be affixed.

Done by the President, through Newton D. Baker, Secretary of War, in the District of Columbia, this 26th day of December, in the year of our Lord one thousand nine hundred and seventeen, and of the independence of the United States the one hundred and forty-second.

WOODROW WILSON.

By the President:

ROBERT LANSING,

Secretary of State.

NEWTON D. BAKER.

Secretary of War.

STATEMENT OF THE PRESIDENT.

I have exercised the powers over the transportation systems of the country which were granted me by the act of Congress of last August because it has become imperatively necessary for me to do so. This is a war of resources no less than of men, perhaps even more than of men, and it is necessary for the complete mobilization of our resources that the transportation systems of the country should be organized and employed under a single authority and a simplified method of coordination which have not proved possible under private management and control. The committee of railway executives who have been cooperating with the Government in this all-important matter have done the utmost that it was possible for them to do; have done it with patriotic zeal and with great ability; but there were difficulties that they could neither escape nor neutralize. Complete unity of administration in the present circumstances involves upon occasion and at many points a serious dislocation of earnings, and the committee was, of course, without power or authority to rearrange charges or effect proper compensations and adjustments of earnings. Several roads which were willingly and with admirable public spirit accepting the orders of the committee have already suffered from these circumstances and should not be required to suffer further. In mere fairness to them the full authority of the Government must be substituted. The Government

itself will thereby gain an immense increase of efficiency in the conduct of the war and of the innumerable activities upon which its successful conduct depends.

The public interest must be first served and, in addition, the financial interests of the Government and the financial interests of the railways must be brought under a common direction. The financial operations of the railways need not then interfere with the borrowings of the Government, and they themselves can be conducted at a greater advantage. Investors in railway securities may rest assured that their rights and interests will be as scrupulously looked after by the Government as they could be by the directors of the several railway systems. Immediately upon the reassembling of Congress I shall recommend that these definite guarantees be given: First, of course, that the railway properties will be maintained during the period of Federal control in as good repair and as complete equipment as when taken over by the Government; and, second, that the roads shall receive a net operating income equal in each case to the average net income of the three years preceding June 30, 1917; and I am entirely confident that the Congress will be disposed in this case, as in others, to see that justice is done and full security assured to the owners and creditors of the great systems which the Government must now use under its own direction or else suffer serious embarrassment.

The Secretary of War and I are agreed that, all the circumstances being taken into consideration, the best results can be obtained under the immediate executive direction of the Hon. William G. McAdoo, whose practical experience peculiarly fits him for the service and whose authority as Secretary of the Treasury will enable him to coordinate as no other man could the many financial interests which will be involved and which might, unless systematically directed, suffer very embarrassing entanglements.

The Government of the United States is the only great Government now engaged in the war which has not already assumed control of this sort. It was thought to be in the spirit of American institutions to attempt to do everything that was necessary through private management, and if zeal and ability and patriotic motive could have accomplished the necessary unification of administration it would certainly have been accomplished; but no zeal or ability could overcome insuperable obstacles, and I have deemed it my duty to recognize that fact in all candor, now that it is demonstrated, and to use without reserve the great authority reposed in me. A great national necessity dictated the action, and I was therefore not at liberty to abstain from it.

WOODROW WILSON.

An Act To provide for the operation of transportation systems while under Federal control, for the just compensation of their owners, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the President, having in time of war taken over the possession, use, control, and operation (called herein Federal control) of certain railroads and systems of transportation (called herein carriers), is hereby authorized to agree with and to guarantee to any such carrier making operating returns to the Interstate Commerce Commission, that during the period of such Federal control it shall receive as just compensation an annual sum, payable from time to time in reasonable installments, for each year and pro rata for any fractional year of such Federal control, not exceeding a sum equivalent as nearly as may be to its average annual railway operating income for the three years ended June thirtieth, nineteen hundred and seventeen.

That any railway operating income accruing during the period of Federal control in excess of such just compensation shall remain the property of the United States. In the computation of such income, debits and credits arising from the accounts called in the monthly reports to the Interstate Commerce Commission equipment rents and joint facility rents shall be included, but debits and credits arising from the operation of such street electric passenger railways, including railways commonly called interurbans, as are at the time of the agreement not under Federal control, shall be excluded. If any lines were acquired by, leased to, or consolidated with such railroad or system between July first, nineteen hundred and fourteen, and December thirty-first, nineteen hundred and seventeen, both inclusive, and separate operating returns to the Interstate Commerce Commission were not made for such lines after such acquisition, lease, or consolidation, there shall (before the average is computed) be added to the total railway operating income of such railroad or system for the three years ended June thirtieth, nineteen hundred and seventeen, the total railway operating income of the lines so acquired, leased, or consolidated, for the period beginning July first, nineteen hundred and fourteen, and ending on the date of such acquisition, lease, or consolidation, or on December thirty-first, nineteen hundred and seventeen, whichever is the earlier. The average annual railway operating income shall be ascertained by the Interstate Commerce Commission and certified by it to the President. Its certificate shall, for the purpose of such agreement, be taken as conclusive of the amount of such average annual railway operating income.

Every such agreement shall provide that any Federal taxes under the Act of October third, nineteen hundred and seventeen, or Acts in addition thereto or in amendment thereof, commonly called war taxes, assessed for the period of Federal control beginning January first, nineteen hundred and eighteen, or any part of such period, shall be paid by the carrier out of its own funds, or shall be charged against or deducted from the just compensation; that other taxes assessed under Federal or any other governmental authority for the period of Federal control or any part thereof, either on the property used under such Federal control or on the right to operate as a carrier, or on the revenues or any part thereof derived from operation (not including, however, assessments for public improvements or taxes assessed on property under construction, and chargeable under the classification of the Interstate Commerce Commission to investment in road and equipment), shall be paid out of revenues derived from railway operations while under Federal control; that all taxes assessed under Federal or any other governmental authority for the period prior to January first, nineteen hundred and eighteen, whenever levied or payable, shall be paid by the carrier out of its own funds, or shall be charged against or deducted from the just compensation.

Every such agreement shall also contain adequate and appropriate provisions for the maintenance, repair, renewals, and depreciation of the property, for the creation of any reserves or reserve funds found necessary in connection therewith, and for such accounting and adjustments of charges and payments, both during and at the end of Federal control as may be requisite in order that the property of each carrier may be returned to it in substantially as good repair and in substantially as complete equipment as it was in at the beginning of Federal control, and also that the United States may, by deductions from the just compensations or by other proper means and charges be reimbursed for the cost of any additions, repairs, renewals, and betterments to such property not justly chargeable to the United States; in making such accounting and adjustments, due consideration shall be given to the amounts expended or reserved by each carrier for maintenance, repairs, renewals, and depreciation during the three years ended June thirtieth, nineteen hundred and seventeen, to the condition of the property at the beginning and at the end of Federal control and to any other pertinent facts and circumstances.

The President is further authorized in such agreement to make all other reasonable provisions, not inconsistent with the provisions of this Act or of the Act entitled "An Act making appropriations for the support of the Army for the fiscal year ending June thirtieth, nineteen hundred and seventeen, and for other purposes," approved

August twenty-ninth, nineteen hundred and sixteen, that he may deem necessary or proper for such Federal control or for the determination of the mutual rights and obligations of the parties to the agreement arising from or out of such Federal control.

If the President shall find that the condition of any carrier was during all or a substantial portion of the period of three years ended June thirtieth, nineteen hundred and seventeen, because of non-operation, receivership, or where recent expenditures for additions or improvements or equipment were not fully reflected in the operating railway income of said three years or a substantial portion thereof, or because of any undeveloped or abnormal conditions, so exceptional as to make the basis of earnings hereinabove provided for plainly inequitable as a fair measure of just compensation, then the President may make with the carrier such agreement for such amount as just compensation as under the circumstances of the particular case he shall find just.

That every railroad not owned, controlled, or operated by another carrier company, and which has heretofore competed for traffic with a railroad or railroads of which the President has taken the possession, use, and control, or which connects with such railroads and is engaged as a common carrier in general transportation, shall be held and considered as within "Federal control," as herein defined, and necessary for the prosecution of the war, and shall be entitled to the benefit of all the provisions of this Act: *Provided, however,* That nothing in this paragraph shall be construed as including any street or interurban electric railway which has as its principal source of operating revenue urban, suburban, or interurban passenger traffic, or sale of power, heat and light, or both.

The agreement shall also provide that the carrier shall accept all the terms and conditions of this act and any regulation or order made by or through the President under authority of this act or of that portion of the act entitled "An act making appropriations for the support of the Army for the fiscal year ending June thirtieth, nineteen hundred and seventeen, and for other purposes," approved August twenty-ninth, nineteen hundred and sixteen, which authorizes the President in time of war to take possession, assume control, and utilize systems of transportation.

SEC. 2. That if no such agreement is made, or pending the execution of an agreement, the President may nevertheless pay to any carrier while under Federal control an annual amount, payable in reasonable installments, not exceeding ninety per centum of the estimated annual amount of just compensation, remitting such carrier, in case where no agreement is made, to its legal rights for any balance claimed to the remedies provided in section three hereof. Any amount thereafter found due such carrier above the amount paid

shall bear interest at the rate of six per centum per annum. The acceptance of any benefits under this section shall constitute an acceptance by the carrier of all the provisions of this Act and shall obligate the carrier to pay to the United States, with interest at the rate of six per centum per annum from a date or dates fixed in proceedings under section three, the amount by which the sums received under this section exceed the sum found due in such proceedings.

SEC. 3. That all claims for just compensation not adjusted (as provided in section one) shall, on the application of the President or of any carrier, be submitted to boards, each consisting of three referees to be appointed by the Interstate Commerce Commission, members of which and the official force thereof being eligible for service on such boards without additional compensation. Such boards of referees are hereby authorized to summon witnesses, require the production of records, books, correspondence, documents, memoranda, and other papers, view properties, administer oaths, and may hold hearings in Washington and elsewhere, as their duties and the convenience of the parties may require. In case of disobedience to a subpoena the board may invoke the aid of any district court of the United States in requiring the attendance and testimony of witnesses and the production of documentary evidence, and such court within the jurisdiction of which such inquiry is carried on may, in case of contumacy or refusal to obey a subpoena issued to any person, corporation, partnership, or association, issue an order requiring appearance before the board, or the production of documentary evidence if so ordered, or the giving of evidence touching the matter in question; and any failure to obey such order of the court may be punished by such court as a contempt thereof. Such cases may be heard separately or together or by classes, by such boards as the Interstate Commerce Commission in the first instance, or any board of referees to which any such cases shall be referred may determine. Said boards shall give full hearings to such carriers and to the United States; shall consider all the facts and circumstances, and shall report as soon as practicable in each case to the President the just compensation, calculated on an annual basis and otherwise in such form as to be convenient and available for the making of such agreement as is authorized in section one. The President is authorized to enter into an agreement with such carrier for just compensation upon a basis not in excess of that reported by such board, and may include therein provisions similar to those authorized under section one. Failing such agreement, either the United States or such carrier may file a petition in the Court of Claims for the purpose of determining the amount of such just compensation, and in the proceedings in said court the report of said referees shall be prima facie evidence of the amount of just compensation and of the facts therein stated. Pro-

ceedings in the Court of Claims under this section shall be given precedence and expedited in every practicable way.

SEC. 4. That the just compensation that may be determined as hereinbefore provided by agreement or that may be adjudicated by the Court of Claims, shall be increased by an amount reckoned at a reasonable rate per centum to be fixed by the President upon the cost of any additions and betterments, less retirements, and upon the cost of road extensions to the property of such carrier made by such carrier with the approval of or by order of the President while such property is under Federal control.

SEC. 5. That no carrier while under Federal control shall, without the prior approval of the President, declare or pay any dividend in excess of its regular rate of dividends during the three years ended June thirtieth, nineteen hundred and seventeen: *Provided, however,* That such carriers as have paid no regular dividends or no dividends during said period may, with the prior approval of the President, pay dividends at such rate as the President may determine.

SEC. 6. That the sum of \$500,000,000 is hereby appropriated, out of any moneys in the Treasury not otherwise appropriated, which, together with any funds available from any operating income of said carriers, may be used by the President as a revolving fund for the purpose of paying the expenses of the Federal control, and so far as necessary the amount of just compensation, and to provide terminals, motive power, cars, and other necessary equipment, such terminals, motive power, cars, and equipment to be used and accounted for as the President may direct and to be disposed of as Congress may hereafter by law provide.

The President may also make or order any carrier to make any additions, betterments, or road extensions, and to provide terminals, motive power, cars, and other equipment necessary or desirable for war purposes or in the public interest on or in connection with the property of any carrier. He may from said revolving fund advance to such carrier all or any part of the expense of such additions, betterments, or road extensions, and to provide terminals, motive power, cars, and other necessary equipment so ordered and constructed by such carrier or by the President, such advances to be charged against such carrier and to bear interest at such rate and be payable on such terms as may be determined by the President, to the end that the United States may be fully reimbursed for any sums so advanced.

Any loss claimed by any carrier by reason of any such additions, betterments, or road extensions so ordered and constructed may be determined by agreement between the President and such carrier; failing such agreement the amount of such loss shall be ascertained as provided in section three hereof.

From said revolving fund the President may expend such an amount as he may deem necessary or desirable for the utilization and operation of canals, or for the purchase, construction, or utilization and operation of boats, barges, tugs, and other transportation facilities on the inland, canal, and coastwise waterways, and may in the operation and use of such facilities create or employ such agencies and enter into such contracts and agreements as he shall deem in the public interest.

SEC. 7. That for the purpose of providing funds requisite for maturing obligations or for other legal and proper expenditures, or for reorganizing railroads in receivership, carriers may, during the period of Federal control, issue such bonds, notes, equipment trust certificates, stock, and other forms of securities, secured or unsecured by mortgage, as the President may first approve as consistent with the public interest. The President may, out of the revolving fund created by this act, purchase for the United States all or any part of such securities at prices not exceeding par, and may sell such securities whenever in his judgment it is desirable at prices not less than the cost thereof. Any securities so purchased shall be held by the Secretary of the Treasury, who shall, under the direction of the President, represent the United States in all matters in connection therewith in the same manner as a private holder thereof. The President shall each year as soon as practicable after January first, cause a detailed report to be submitted to the Congress of all receipts and expenditures made under this section and section six during the preceding calendar year.

SEC. 8. That the President may execute any of the powers herein and heretofore granted him with relation to Federal control through such agencies as he may determine, and may fix the reasonable compensation for the performance of services in connection therewith, and may avail himself of the advice, assistance, and cooperation of the Interstate Commerce Commission and of the members and employees thereof, and may also call upon any department, commission, or board of the Government for such services as he may deem expedient. But no such official or employee of the United States shall receive any additional compensation for such services except as now permitted by law.

SEC. 9. That the provisions of the act entitled "An act making appropriations for the support of the Army for the fiscal year ending June thirtieth, nineteen hundred and seventeen, and for other purposes," approved August twenty-ninth, nineteen hundred and sixteen, shall remain in force and effect except as expressly modified and restricted by this act; and the President, in addition to the powers conferred by this act, shall have and is hereby given such other and further powers necessary or appropriate to give effect to

the powers herein and heretofore conferred. The provisions of this act shall also apply to any carriers to which Federal control may be hereafter extended.

SEC. 10. That carriers while under Federal control shall be subject to all laws and liabilities as common carriers, whether arising under State or Federal laws or at common law, except in so far as may be inconsistent with the provisions of this act or any other act applicable to such Federal control or with any order of the President. Actions at law or suits in equity may be brought by and against such carriers and judgments rendered as now provided by law; and in any action at law or suit in equity against the carrier, no defense shall be made thereto upon the ground that the carrier is an instrumentality or agency of the Federal Government. Nor shall any such carrier be entitled to have transferred to a Federal court any action heretofore or hereafter instituted by or against it, which action was not so transferable prior to the Federal control of such carrier; and any action which has heretofore been so transferred because of such Federal control or of any act of Congress or official order or proclamation relating thereto shall upon motion of either party be transferred to the court in which it was originally instituted. But no process, mesne or final, shall be levied against any property under such Federal control.

That during the period of Federal control, whenever in his opinion the public interest requires, the President may initiate rates, fares, charges, classifications, regulations, and practices by filing the same with the Interstate Commerce Commission, which said rates, fares, charges, classifications, regulations, and practices shall not be suspended by the commission pending final determination.

Said rates, fares, charges, classifications, regulations, and practices shall be reasonable and just and shall take effect at such time and upon such notice as he may direct, but the Interstate Commerce Commission, shall, upon complaint, enter upon a hearing concerning the justness and reasonableness of so much of any order of the President as establishes or changes any rate, fare, charge, classification, regulation, or practice of any carrier under Federal control, and may consider all the facts and circumstances existing at the time of the making of the same. In determining any question concerning any such rates, fares, charges, classifications, regulations, or practices or changes therein, the Interstate Commerce Commission shall give due consideration to the fact that the transportation systems are being operated under a unified and coordinated national control and not in competition.

After full hearing the commission may make such findings and orders as are authorized by the act to regulate commerce as amended,

and said findings and orders shall be enforced as provided in said act: *Provided, however,* That when the President shall find and certify to the Interstate Commerce Commission that in order to defray the expenses of Federal control and operation fairly chargeable to railway operating expenses, and also to pay railway tax accruals other than war taxes, net rents for joint facilities and equipment, and compensation to the carriers, operating as a unit, it is necessary to increase the railway operating revenues, the Interstate Commerce Commission in determining the justness and reasonableness of any rate, fare, charge, classification, regulation, or practice shall take into consideration said finding and certificate by the President, together with such recommendations as he may make.

SEC. 11. That every person or corporation, whether carrier or shipper, or any receiver, trustee, lessee, agent, or person acting for or employed by a carrier or shipper, or other person, who shall knowingly violate or fail to observe any of the provisions of this act, or shall knowingly interfere with or impede the possession, use, operation, or control of any railroad property, railroad, or transportation system hitherto or hereafter taken over by the President, or shall knowingly violate any of the provisions of any order or regulation made in pursuance of this act, shall be guilty of a misdemeanor, and shall, upon conviction, be punished by a fine of not more than \$5,000, or, if a person, by imprisonment for not more than two years, or both. Each independent transaction constituting a violation of, or a failure to observe, any of the provisions of this act, or any order entered in pursuance hereof, shall constitute a separate offense. For the taking or conversion to his own use or the embezzlement of money or property derived from or used in connection with the possession, use, or operation of said railroads or transportation systems, the criminal statutes of the United States, as well as the criminal statutes of the various States where applicable, shall apply to all officers, agents, and employees engaged in said railroad and transportation service, while the same is under Federal control, to the same extent as to persons employed in the regular service of the United States. Prosecutions for violations of this act or of any order entered hereunder shall be in the district courts of the United States, under the direction of the Attorney General, in accordance with the procedure for the collection and imposing of fines and penalties now existing in said courts.

SEC. 12. That moneys and other property derived from the operation of the carriers during Federal control are hereby declared to be the property of the United States. Unless otherwise directed by the President, such moneys shall not be covered into the Treasury, but such moneys and property shall remain in the custody of the same officers, and the accounting thereof shall be in the same manner

and form as before Federal control. Disbursements therefrom shall, without further appropriation, be made in the same manner as before Federal control and for such purposes as under the Interstate Commerce Commission classification of accounts in force on December twenty-seventh, nineteen hundred and seventeen, are chargeable to operating expenses or to railway tax accruals and for such other purposes in connection with Federal control as the President may direct, except that taxes under Titles One and Two of the act entitled "An act to provide revenue to defray war expenses, and for other purposes," approved October third, nineteen hundred and seventeen, or any act in addition thereto or in amendment thereof, shall be paid by the carrier out of its own funds. If Federal control begins or ends during the tax year for which any taxes so chargeable to railway tax accruals are assessed, the taxes for such year shall be apportioned to the date of the beginning or ending of such Federal control, and disbursements shall be made only for that portion of such taxes as is due for the part of such tax year which falls within the period of Federal control.

At such periods as the President may direct, the books shall be closed and the balance of revenues over disbursements shall be covered into the Treasury of the United States to the credit of the revolving fund created by this act. If such revenues are insufficient to meet such disbursements, the deficit shall be paid out of such revolving fund in such manner as the President may direct.

SEC. 13. That all pending cases in the courts of the United States affecting railroads or other transportation systems brought under the act to regulate commerce, approved February fourth, eighteen hundred and eighty-seven, as amended and supplemented, including the commodities clause, so called, or under the act to protect trade and commerce against unlawful restraints and monopolies, approved July second, eighteen hundred and ninety, and amendments thereto, shall proceed to final determination as soon as may be, as if the United States had not assumed control of transportation systems; but in any such case the court having jurisdiction may, upon the application of the United States, stay execution of final judgment or decree until such time as it shall deem proper.

SEC. 14. That the Federal control of railroads and transportation systems herein and heretofore provided for shall continue for and during the period of the war and for a reasonable time thereafter, which shall not exceed one year and nine months next following the date of the proclamation by the President of the exchange of ratifications of the treaty of peace: *Provided, however,* That the President may, prior to July first, nineteen hundred and eighteen, relinquish control of all or any part of any railroad or system of transportation, further Federal control of which the President shall deem not needful

or desirable; and the President may at any time during the period of Federal control agree with the owners thereof to relinquish all or any part of any railroad or system of transportation. The President may relinquish all railroads and systems of transportation under Federal control at any time he shall deem such action needful or desirable. No right to compensation shall accrue to such owners from and after the date of relinquishment for the property so relinquished.

SEC. 15. That nothing in this act shall be construed to amend, repeal, impair, or affect the existing laws or powers of the States in relation to taxation or the lawful police regulations of the several States, except wherein such laws, powers, or regulations may affect the transportation of troops, war materials, Government supplies, or the issue of stocks and bonds.

SEC. 16. That this act is expressly declared to be emergency legislation enacted to meet conditions growing out of war; and nothing herein is to be construed as expressing or prejudicing the future policy of the Federal Government concerning the ownership, control, or regulation of carriers or the method or basis of the capitalization thereof.

Approved, March 21, 1918.

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA.

A PROCLAMATION.

AUTHORIZING THE DIRECTOR GENERAL OF RAILROADS TO EXERCISE POWERS,
CONFERRED ON THE PRESIDENT BY CONGRESS.

Whereas, by the proclamation dated December 26, 1917, taking over each and every system of transportation and the appurtenances thereof located wholly or in part within the boundaries of the continental United States, it was provided "that the possession, control, operation, and utilization of such transportation systems hereby by me undertaken, shall be exercised by and through William G. McAdoo, who is hereby appointed and designated Director General of Railroads," and the said William G. McAdoo pursuant to said proclamation entered upon and has continued to discharge the duties of Director General of Railroads as provided therein; and

Whereas, since the issuance of said proclamation the Congress of the United States has passed an act entitled *An Act to Provide for the Operation of Transportation Systems while under Federal Control, for the Just Compensation of their Owners, and for other Purposes*, which act was duly approved by me on the 21st day of March, 1918, and is now in full force and effect; and in terms confers upon the President the powers specified therein and the authority to carry the same into effect; and

Whereas, it is provided in Section 8 of said act that the President may execute any of the powers therein and theretofore granted him with relation to the Federal control of systems of transportation and parts thereof, including railroads, inland waterways, etc., through such agencies as he may determine;

Now, therefore, I, Woodrow WILSON, President of the United States, under and by virtue of the powers and authority so vested in me by said act and of all other powers me hereto enabling, do hereby authorize the said William G. McAdoo, Director General of Railroads as aforesaid, either personally or through such divisions, agencies, or persons as he may appoint, and in his own name or in the name of such divisions, agencies, or persons, or in the name of the President to agree with the carriers or any of them or with any other person in interest, upon the amount of compensation to be paid pursuant to law, and to sign, seal, and deliver in his own name or in the name of the President or in the name of the United States such agreements as may be necessary and expedient with the several carriers or other persons in interest respecting compensation, or any other matter concerning which it may be necessary or expedient to deal and to make any and all contracts, agreements, or obligations necessary or expedient and to issue any and all orders which may in any way be found necessary and expedient in connection with the Federal control of systems of transportation, railroads, and inland waterways as fully in all respects as the President is authorized to do, and generally to do and perform all and singular all acts and things and to exercise all and singular the powers and duties which in and by the said act, or any other act in relation to the subject hereof, the President is authorized to do and perform.

In witness whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done in the District of Columbia this 29th day of March in the year of our Lord one thousand nine hundred and eighteen, and of the Independence of the United States of America the one hundred and forty-second.

[SEAL.]

WOODROW WILSON.

By the President:

ROBERT LANSING,

Secretary of State.

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA.

A PROCLAMATION.

POSSESSION AND CONTROL OF CERTAIN TRANSPORTATION SYSTEMS.

Whereas the Congress of the United States, in the exercise of the constitutional authority vested in them, by joint resolution of the

Senate and House of Representatives bearing date April 6, 1917, resolved:

That the state of war between the United States and the Imperial German Government which has thus been thrust upon the United States is hereby formally declared; and that the President be, and he is hereby, authorized and directed to employ the entire naval and military forces of the United States and the resources of the Government to carry on war against the Imperial German Government; and to bring the conflict to a successful termination all of the resources of the country are hereby pledged by the Congress of the United States.

And by joint resolution bearing date of December 7, 1917, resolved:

That a state of war is hereby declared to exist between the United States of America and the Imperial and Royal Austro-Hungarian Government; and that the President be, and he is hereby, authorized and directed to employ the entire naval and military forces of the United States and the resources of the Government to carry on war against the Imperial and Royal Austro-Hungarian Government; and to bring the conflict to a successful termination all the resources of the country are hereby pledged by the Congress of the United States.

And whereas it is provided by section 1 of the act approved August 29, 1916, entitled "An act making appropriations for the support of the Army for the fiscal year ending June 30, 1917, and for other purposes," as follows:

The President in time of war is empowered, through the Secretary of War, to take possession and assume control of any system or systems of transportation, or any part thereof, and to utilize the same, to the exclusion, as far as may be necessary, of all other traffic thereon, for the transfer or transportation of troops, war material, and equipment, or for such other purposes connected with the emergency as may be needful or desirable.

And whereas it has now become necessary in the national defense to take possession and assume control of certain systems of transportation and to utilize the same to the exclusion, as far as may be necessary, of other than war traffic thereon, for the transportation of troops, war material, and equipment therefor, and for other needful and desirable purposes connected with the prosecution of the war:

Now, therefore, I, WOODROW WILSON, President of the United States, under and by virtue of the powers vested in me by the foregoing resolutions and statute, and by virtue of all other powers thereto me enabling, do hereby, through Benedict Crowell, Acting Secretary of War, take possession and assume control at 12.01 a. m., on the 13th day of April, 1918, of each and every system of transportation and the appurtenances thereof as follows, to wit: Clyde Steamship Company, a corporation of the State of Maine; Mallory Steamship Company, a corporation of the State of Maine; Merchants & Miners Transportation Company, a corporation of the State of Maryland; and Southern Steamship Company, a corporation of the State of Delaware, consisting of steamships, tugs, lighters, barges,

ships, boats, and marine craft of any and every kind or description and all the tackle, appurtenances to and appliances thereof, together with all wharves, docks, warehouses, and other property of every kind or nature, real or chattel, owned, leased, chartered, controlled, or used by said companies or either of them in conducting or in connection with said transportation systems, to the end that such systems of transportation be utilized for the transfer and transportation of troops, war material, and equipment to the exclusion so far as may be necessary of all other traffic thereon; and that so far as such exclusive use be not necessary or desirable such systems of transportation be operated and utilized in the performance of such other services as the national interest may require and of the usual and ordinary business and duties of common carriers.

It is hereby directed that the possession, control, operation, and utilization of such transportation systems, hereby by me undertaken, shall be exercised by and through William G. McAdoo, who has been duly appointed and designated Director General of Railroads. Said Director General may perform the duties imposed upon him so long and to such extent as he shall determine, through the boards of directors, officers, and employees of said systems of transportation. Until and except so far as said Director General shall from time to time by general or special orders otherwise provide, the boards of directors, officers, and employees of said transportation systems shall continue the operation thereof in the usual and ordinary course of the business of common carriers in the names of their respective companies.

Until and except so far as said Director General shall from time to time otherwise by general or special orders determine, such systems of transportation shall remain subject to all existing statutes of the United States and orders of the Interstate Commerce Commission, and to all statutes and orders of regulating commissions of the various States in which said systems or any part thereof may be situated. But any orders, general or special, hereafter made by said Director General, shall have paramount authority and be obeyed as such.

The Director General shall, as soon as may be after having assumed such possession and control, enter upon negotiations with the several companies looking to agreements for just and reasonable compensation for the possession, use, and control of their respective properties and fix such just compensation as provided by law.

But nothing herein contained, expressed or implied, or hereafter done or suffered hereunder, shall be deemed in any way to impair the rights of the stockholders, bondholders, creditors, and other persons having interests in said systems of transportation or in the

profits thereof to receive just and adequate compensation for the use and control and operation of their property hereby assumed.

That none of said carriers while under Federal control shall, without the prior approval of the President, declare or pay any dividends in excess of its regular rate of dividends during the three years ended June thirtieth, nineteen hundred and seventeen: *Provided, however,* That such carriers as have paid no regular dividends or no dividends during said period may, with the prior approval of the President, pay dividends at such rate as the President may determine.

Except with the prior written assent of said Director General, no attachment by mesne process or on execution shall be levied on or against any of the property used by any of said transportation systems in the conduct of their business as common carriers; but suits may be brought by and against said carriers and judgments rendered as hitherto until and except so far as said Director General may, by general or special orders, otherwise determine.

From and after 12.01 a. m. on said 13th day of April, 1918, all transportation systems included in this order and proclamation shall conclusively be deemed within the possession and control of said Director General without further act or notice.

In witness whereof I have hereunto set my hand and caused the seal of the United States to be affixed.

Done by the President, through Benedict Crowell, Acting Secretary of War, in the District of Columbia, this 11th day of April, in the year of our Lord one thousand nine hundred and eighteen, and of the independence of the United States the one hundred and forty-second.

[SEAL.]

WOODROW WILSON.

By the President:

ROBERT LANSING,

Secretary of State.

BENEDICT CROWELL,

Acting Secretary of War.

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA.

A PROCLAMATION.

POSSESSION AND CONTROL OF THE TRANSPORTATION SYSTEM OF THE
BOSTON, CAPE COD & NEW YORK CANAL CO.

Whereas the Congress of the United States, in the exercise of the constitutional authority vested in them, by joint resolution of the Senate and House of Representatives bearing date of April 6, 1917, resolved:

That the state of war between the United States and the Imperial German Government which has thus been thrust upon the United States is hereby formally declared;

and that the President be, and he is hereby, authorized and directed to employ the entire naval and military forces of the United States and the resources of the Government to carry on war against the Imperial German Government; and to bring the conflict to a successful termination all of the resources of the country are hereby pledged by the Congress of the United States.

And by joint resolution bearing date of December 7, 1917, resolved:

That a state of war is hereby declared to exist between the United States of America and the Imperial and Royal Austro-Hungarian Government; and that the President be, and he is hereby, authorized and directed to employ the entire naval and military forces of the United States and the resources of the Government to carry on a war against the Imperial and Royal Austro-Hungarian Government; and to bring the conflict to a successful termination all the resources of the country are hereby pledged by the Congress of the United States.

And whereas it is provided by section 1 of the act approved August 29, 1916, entitled "An act making appropriations for the support of the Army for the fiscal year ending June 30, 1917, and for other purposes," as follows:

The President in time of war is empowered, through the Secretary of War, to take possession and assume control of any system or systems of transportation, or any part thereof, and to utilize the same, to the exclusion, as far as may be necessary, of all other traffic thereon, for the transfer or transportation of troops, war material, and equipment, or for such other purposes connected with the emergency as may be needful or desirable.

And whereas it has now become necessary in the national defense to take possession and assume control of certain systems of transportation and to utilize the same, to the exclusion, as far as may be necessary, of other than war traffic thereon, for the transportation of troops, war material, and equipment therefor, and for other needful and desirable purposes connected with the prosecution of the war:

Now, therefore, I, WOODROW WILSON, President of the United States, under and by virtue of the powers vested in me by the foregoing resolutions and statute, and by virtue of all other powers thereto me enabling, do hereby, through Newton D. Baker, Secretary of War, take possession and assume control at 12.01 a. m. on the 25th day of July, 1918, of the following system of transportation and the appurtenances thereof, to wit, the canal and other property of the Boston, Cape Cod & New York Canal Co., a corporation organized under the laws of the Commonwealth of Massachusetts, consisting of a ship canal extending from Cape Cod Bay to Buzzards Bay in Massachusetts, with all the appurtenances and equipment of said canal, including all the lands, easements, wharves, docks, buildings, tugs, barges, ships, boats, tackle, appliances, and all other property of whatsoever kind owned, leased, chartered, controlled, or used by the said corporation in the maintenance and operation of said canal or in connection with the towage, pilotage, or anchorage of vessels passing through the same.

To the end that said system of transportation be utilized for the transfer and transportation of troops, war material, and equipment, to the exclusion so far as may be necessary of all other traffic thereon, and that so far as such exclusive use be not necessary or desirable such system of transportation be operated and utilized in the performance of such other services as the national interest may require and of the usual and ordinary operation of the said transportation system.

It is hereby directed that the possession, control, operation, and utilization of such transportation system, hereby by me undertaken, shall be exercised by and through William G. McAdoo, who has been duly appointed and designated Director General of Railroads. Said Director General may perform the duties imposed upon him, so long and to such extent as he shall determine, through the board of directors, officers, and employees of said corporation, or through such other agents or agencies as he may from time to time appoint. Until and except so far as said Director General shall from time to time by general or special orders otherwise provide, the board of directors, officers, and employees of said corporation shall continue the usual and ordinary operation of said transportation system in the name of said corporation.

Until and except so far as said Director General shall from time to time otherwise by general or special orders determine, such system of transportation shall remain subject to all existing statutes of the United States and to all statutes and orders of regulating commissions of the Commonwealth of Massachusetts; but any orders, general or special, hereafter made by said Director General shall have paramount authority and be obeyed as such.

The Director General shall, as soon as may be after having assumed such possession and control, enter upon negotiations with the said corporation looking to an agreement for just and reasonable compensation for the possession, use, and control of its property.

Except with the prior written assent of said Director General, no attachment by mesne process or on execution shall during Federal control be levied on or against any of the property of said corporation or used by said transportation system in the maintenance and operation of said canal while under Federal control; but suits may be brought by and against the said corporation and judgments rendered as hitherto until and except so far as said Director General may, by general or special orders, otherwise determine.

From and after 12.01 a. m., on said 25th day of July, 1918, the transportation system included in this order and proclamation shall conclusively be deemed within the possession and control of said Director General without further act or notice.

In witness whereof I have hereunto set my hand and caused the seal of the United States to be affixed.

Done by the President, through Newton D. Baker, Secretary of War, in the District of Columbia this 22d day of July, in the year of our Lord one thousand nine hundred and eighteen and of the independence of the United States the one hundred and forty-third.

[SEAL.]

WOODROW WILSON.

By the President:

FRANK L. POLK,

Acting Secretary of State.

NEWTON D. BAKER,

Secretary of War.

POSSESSION AND CONTROL OF AMERICAN RAILWAY EXPRESS COMPANY.

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA.

A PROCLAMATION.

POSSESSION AND CONTROL OF A CERTAIN TRANSPORTATION SYSTEM.

WHEREAS the organizations for the conduct of the express business over numerous systems of transportation which have been duly placed under Federal control, and pertaining to such systems of transportation, have been consolidated into the American Railway Express Company which has been made the sole agent of the Government for conducting the express business, with the result that the entire transportation system of said Express Company has been necessarily in substance and effect placed under Federal control, and

WHEREAS it is desirable, in order to administer to the best advantage the transportation business and operations of the American Railway Express System to make it specifically clear by this Proclamation that the President has the possession, use, control and operation of the entire transportation system of the American Railway Express Company,

Now, THEREFORE, I, Woodrow Wilson, President of the United States, under and by virtue of the powers vested in me by law do hereby, through Newton D. Baker, Secretary of War, take possession, and assume control at 12 o'clock noon on the 18th day of November, 1918, of that certain system of transportation called the American Railway Express Company and all of its appurtenances and property of every kind or nature, directly or indirectly, owned, leased, chartered, controlled, or used in the conduct of, or in connection with, its express business.

It is hereby further directed that the possession, control, operation and utilization of said express transportation system hereby by me undertaken shall be exercised by and through William G. McAdoo, heretofore appointed Director General of Railroads, with all the powers conferred upon him by the said Proclamations of December

26, 1917, and March 29, 1918, respectively, together with all and singular the powers conferred upon the President by the Act of Congress entitled, "An Act to Provide for the Operation of Transportation Systems while under Federal Control, for the Just Compensation of their Owners, and for Other Purposes," approved March 21, 1918.

The said Director General of Railroads may perform the duties hereby imposed upon him, so long and to such an extent as he shall determine, through the Board of Directors, officers and employees of the said American Railway Express Company, under the contract already made, and dated the twenty-sixth day of June, 1918, between the said Director General of Railroads and said American Railway Express Company, and until and except so far as said Director General shall from time to time by general or special orders otherwise provide, the Board of Directors, officers and employees of said Company shall continue the operation thereof in the usual and ordinary course under such contract.

From and after 12 o'clock noon on said 18th November, 1918, the said transportation system shall conclusively be deemed within the possession and control of said Director General without further act or notice.

In WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the United States to be affixed.

DONE by the President, through Newton D. Baker, Secretary of War, in the District of Columbia, this 16th day
 [SEAL.] of November, in the year of our Lord, one thousand nine hundred and eighteen, and of the independence of the United States the one hundred and forty-third.

WOODROW WILSON.

By the President:

ROBERT LANSING,
Secretary of State.

NEWTON D. BAKER,
Secretary of War.

(No. 1497.)

ORDER OF RELINQUISHMENT.

WHEREAS in the exercise of the war power by proclamation dated April 11, 1918, the President of the United States through Benedict Crowell, Acting Secretary of War, took possession and assumed control as of the thirteenth day of April, 1918, of the following systems of transportation and appurtenances thereof, to wit: Clyde Steamship Company, a corporation of the State of Maine; Mallory Steamship Company, a corporation of the State of Maine; Merchants and Miners Transportation Company, a corporation of the State of Maryland; and Southern Steamship Company, a corporation of the State of Delaware; consisting of steamships, tugs, lighters, barges, ships, boats, and marine craft of any and every kind or description and all the tackle, appurtenances to and appliances thereof, together with all wharves, docks, warehouses, and other property of every kind or nature, real or chattel, owned, leased, chartered, controlled, or used by said companies or either of them in conducting or in connection with said transportation systems to the end that such systems be utilized for the transfer and transportation of troops, war material, and equipment, to the exclusion as far as may be necessary, of all other traffic thereon, etc., the said possession, control, operation, and utilization to be exercised by and through the undersigned William G. McAdoo, Director General of Railroads; and

WHEREAS the emergency which made such exercise of the war power necessary and desirable has by reason of the signing of an armistice with the enemies of the United States ceased, and the use of the transportation systems aforesaid is no longer necessary for the transfer and transportation of troops, war material, and equipment or otherwise for the war purposes of the Government:

Now, THEREFORE, I, WILLIAM G. McADOO, Director General of Railroads, by virtue of the power conferred upon me by the President of the United States, do hereby relinquish from Federal control effective December 6, 1918, at 12:01 a. m., the said Clyde Steamship Company, Mallory Steamship Company, Merchants and Miners Transportation Company, and Southern Steamship Company, together with all of the steamships, tugs, lighters, barges, ships, boats, and marine craft of any and every kind or description and all the other

tackle, appurtenances, wharves, docks, warehouses, and other property as described and set forth in the proclamation of the President, dated April 11, 1918, as aforesaid, and restore the same to the possession of their respective owners.

For accounting purposes, this order may be treated as effective December first at 12:01 a. m.

Given under my hand as Director General of Railroads, this fifth day of December, 1918.

W. G. McAdoo,

Director General of Railroads.

OPINION SUSTAINING THE AUTHORITY OF W. G. MCADOO, DIRECTOR
GENERAL OF RAILROADS, RE GENERAL ORDERS 18 AND 18-A, AND
THEIR VALIDITY UNDER THE FEDERAL-CONTROL ACT APPROVED MARCH
21, 1918, AND THE CONSTITUTIONALITY OF SAID ACT, BY HONORABLE
JACOB TRIEBER, UNITED STATES DISTRICT JUDGE FOR THE EASTERN
DISTRICT OF ARKANSAS, SITTING IN THE EASTERN DIVISION OF THE
EASTERN DISTRICT OF MISSOURI.

In the District Court of the United States for the Eastern Division of the
Eastern District of Missouri.

NELLIE WAINWRIGHT, ADMINISTRATRIX, ETC., Plaintiff, |
v. | No. 4893.
PENNSYLVANIA RAILROAD COMPANY, Defendant. |

The plaintiff on May 6, 1918, instituted this action to recover damages under the employers' liability act for the death of her husband, alleged to have resulted from injuries sustained on December 26, 1917, while in the service of the defendant and while both were engaged in interstate commerce. The defendant filed a plea in abatement, alleging as causes:

1. The Pennsylvania Railroad Company, defendant herein, is a common carrier now under control of the United States Railroad Administration.

2. The plaintiff herein, and the deceased, John Wainwright, resided at the time of the accrual of the cause of action stated in the plaintiff's petition in the city of Pittsburgh, State of Pennsylvania.

3. That the place of trial, to wit: City of St. Louis, State of Missouri, is far removed from the place where the plaintiff was injured and resided at the time of the accrual of this action, to wit: City of Pittsburgh, Pa.; that the trial of this suit in the city of St. Louis, Mo., will necessitate the summoning of men, to wit: Engineer N. Carlson, Fireman W. J. Corbett, Conductor W. Baker, and Brakeman J. Wainwright, now operating trains in points distant from the place of trial and keep them for a considerable period of time from said work of operating trains, all of which will greatly prejudice the interests of the Government in maintaining railroad traffic for war purposes.

And the defendant further states that the above specifications of facts, enumerated above, constitute to all intents and purposes a case of abatement under General Order No. 26, promulgated by the United States Railroad Administration on May 23, 1918, and Gen-

eral Order No. 18-A, promulgated by the United States Railroad Administration on May 18, 1918.

To this plea the plaintiff demurred.

The general orders pleaded by the defendant were promulgated by the Director General of the United States Railroad Administration. General Order No. 18, made on April 9, 1918, reads:

Whereas the act of Congress approved March 21, 1918, entitled "An act to provide for the operation of transportation systems while under Federal control," provides (sec. 10), "That carriers while under Federal control shall be subject to all laws and liabilities as common carriers, whether arising under State or Federal laws or at common law, except in so far as may be inconsistent with the provisions of this act or with any order of the President, * * *. But no process, mesne or final, shall be levied against any property under such Federal control"; and

Whereas it appears that suits against the carriers for personal injuries, freight and damage claims are being brought in States and jurisdictions far remote from the place where plaintiffs reside or where the cause of action arose, the effect thereof being that men operating the trains engaged in hauling war materials, troops, munitions, or supplies are required to leave their trains and attend court as witnesses, and travel sometimes for hundreds of miles from their work, necessitating absence from their trains for days and sometimes for a week or more, which practice is highly prejudicial to the just interests of the Government and seriously interferes with the physical operation of the railroads; and the practice of suing in remote jurisdictions is not necessary for the protection of the rights or the just interests of plaintiffs;

It is therefore ordered, That all suits against carriers while under Federal control must be brought in the county or district where the plaintiff resides or in the county or district where the cause of action arose.

On April 18, 1918, this general order was amended by General Order No. 18-A, as follows:

It is therefore ordered that all suits against carriers while under Federal control must be brought in the county or district where the plaintiff resided at the time of the accrual of the cause of action or in the county or district where the cause of action arose.

As this action was instituted after the promulgation of General Orders Nos. 18 and 18-A, and no question of limitation can possibly arise, it is unnecessary to refer to or pass upon the effect of General Order No. 26 in disposing of these pleas.

These general orders are claimed to have been made by authority vested in the President and the Director General designated by the President by the appropriation act of August 29, 1916, ch. 418, 39 St. 645 and the act of Congress entitled, "An act to provide for the operation of transportation systems while under Federal control, for the just compensation of their owners, and for other purposes," approved March 21, 1918.

Browning, Mason & Altman, of St. Louis, Mo., for plaintiff.

Fordyce, Holliday & White, of St. Louis, Mo., for defendant.

Mr. E. H. Seneff and Mr. D. P. Williams, of Pittsburgh, Pa., by leave of the court filed a brief as *amici curiae*.

TRIEBER, district judge, after stating the facts as above.

The demurrer to the plea raises two questions of law:

1. Assuming that the act of Congress authorizes the President and the agencies appointed by him to make these regulations, Is the act warranted by the Constitution?

2. Does the act vest the power to make these regulations in the President or the Director General?

At the outset of this opinion, it is proper to state that, as this action was originally instituted in a court of the United States, the question whether Congress may authorize the general orders in question to apply to the courts of the States is not involved, and therefore can not be determined in this proceeding. What is stated in this opinion is necessarily intended to apply solely to actions instituted in the national courts. Whether, under the war power, Congress may enact laws affecting the maintenance of actions in the State courts, can only be determined when it properly comes before the court. To express an opinion on that question in the instant case would be clearly *obiter*, and the court, for this reason, limits this opinion to actions instituted in the national courts.

DOES CONGRESS HAVE THE POWER TO ENACT THIS LEGISLATION, ASSUMING THAT IT VESTS THE POWER CLAIMED ON BEHALF OF THE DEFENDANT?

That Congress possesses the power to enact legislation of this nature, under the Constitution, can not be questioned at this day. There are several grounds upon which it must be sustained.

1. In *McCulloch v. Maryland*, 17 U. S. 316, 421, Chief Justice Marshall delivering the opinion of the court, it was held as a proper canon of the interpretation of the powers of Congress under the National Constitution, among others: "Let the end be legitimate, let it be within the scope of the Constitution, and all means which are appropriate, which are plainly adapted to the end, which are not prohibited, but consistent with the letter and spirit of the Constitution, are constitutional."

This rule of construction has never been doubted or questioned by any subsequent decision, but has been uniformly followed, whenever it has been before the courts, and must, therefore, be accepted as elementary in the construction of the National Constitution. That there is nothing in the Constitution prohibiting Congress from determining the venue in civil actions is beyond question.

Article 1, section 8, clause 11, of the Constitution grants Congress the power to declare war, and clause 12 of that section empowers it to raise and support armies. That by virtue of these provisions of the Constitution, Congress may use all means which are, in its opinion, appropriate to that end and not prohibited by some provision

of the Constitution has, under the rule established in *McCulloch v. Maryland*, been settled in *Miller v. United States*, 78 U. S. 268; *Stewart v. Kahn*, 78 U. S. 493, 506, 507; reaffirmed in *Mayfield v. Richards*, 115 U. S. 137. In *Stewart v. Kahn*, it was held: "The measures to be taken in carrying on war and to suppress insurrection are not defined. The decision of all such questions rests wholly in the discretion of those to whom the substantial powers involved are confided by the Constitution.

"In the latter case the power is not limited to victories in the field and the dispersion of the insurgent forces. It carries with it inherently the power to guard against the immediate renewal of the conflict and to remedy the evils which have arisen from its rise and progress."

The same principle was recognized in the Legal Tender cases, 79 U. S. 457, 539, where it was held: "Before we can hold the legal tender acts unconstitutional, we must be convinced they were not appropriate means, or means conducive to the execution of any or all of the powers of Congress, or of the Government, not appropriate in any degree (for we are not judges of the degree of appropriateness), or we must hold that they were prohibited. This brings us to the inquiry whether they were, when enacted, appropriate instrumentalities for carrying into effect, or executing any of the known powers of Congress, or of any department of the Government. Plainly to this inquiry, a consideration of the time when they were enacted, and of the circumstances in which the Government then stood, is important. It is not to be denied that acts may be adapted to the exercise of lawful power, and appropriate to it, in seasons of exigency, which would be inappropriate at other times." See also the address of former Justice Hughes on the "War powers under the Constitution," volume 42, American Bar Association, 232.

Whether the exigencies existed when Congress enacted this statute was for that body to determine and can not be questioned by the courts, if there is any substantial ground therefor. *McCulloch v. Maryland*, *supra*, Lottery cases, 188 U. S. 321, 355; *McDermott v. Wisconsin*, 228 U. S. 115, 128. That there was substantial ground for the enactment of the statute requires no argument. The conditions so graphically described in the Legal Tender cases (p. 540) prevail now, and it will conduce to brevity to refer to what was there said, without quoting it in this opinion.

That the act was enacted under the war power is not only apparent from its content, but it is expressly declared in section 16 of the act, "to be emergency legislation, enacted to meet conditions growing out of the war," and section 14 provides that the Federal control of railroads shall continue not exceeding one year and nine months after the ratification of the treaty of peace.

2. Another ground upon which the act must be sustained is that the right to maintain an action in any particular court is always subject to the legislative will. It is only when one is deprived of all rights to maintain an action for the redress of his wrongs that the statute would be obnoxious to the fifth amendment to the Constitution. Congress has uniformly exercised that power by providing in what courts suits may be maintained, and in no instance has such an act been held void. Among the many is the act of March 3, 1873, 17 St. 509, authorizing the Attorney General to institute suits against the Union Pacific Railroad Co. for certain acts in any circuit court of the United States. The constitutionality of this act was sustained in *United States v. Union Pacific R. R.*, 98 U. S. 569. The Carmack amendment to the interstate-commerce act, approved June 29, 1906, 34 St. 595, authorizes an action against the receiving carrier, regardless of the fact that the loss or damage sued for was caused by a connecting carrier. Its constitutionality was sustained in *Atlantic Coast Line v. Riverside Mills*, 219 U. S. 186. The act of February 24, 1905, chapter 778, 33 Statutes 811, vested the exclusive jurisdiction of actions on bonds of contractors for the construction of public works in the courts of the district in which said contract was to be performed and executed. The validity of the act was sustained in *United States v. Congress Construction Co.*, 222 U. S. 199, 203; *Hopkins v. Ellington & Guy*, 246 U. S. 655; *Ex parte Southwestern Surety Ins. Co.*, 247 U. S. 19. The Clayton Act, approved October 15, 1914, 38 Statutes 730, 737, section 12, expressly authorizes an action by the Government, not only in the district whereof the defendant corporation is an inhabitant, but in any district where it may be found or does business. Section 15 of that act authorizes service of process on other parties than the offending corporation, who are properly joined, in any district where found. The validity of these provisions was sustained in *Southern Photo Material Co. v. Eastman Kodak Co.* (D. C.), 234 Fed. 955.

Every State of the Union has provided by statute the venue for civil actions in its courts. In some States actions may be brought only in the county where the defendant resides; in some where the defendant resides or may be found; some actions can only be maintained in the county in which the cause of action accrued; others where the subject matter of the action is situated; and in some States actions may be maintained in the county where either plaintiff or defendant resides. The various acts are referred to in 22 Encyclopedia of Pleading and Practice 790, *et sequa*.

In *United States v. Crawford* (C. C.), 47 Fed. 561, 565, Judge Parker said: "I have no doubt that Congress may provide for service of process out of the district, as this is a regulation of practice and subject to the legislative control." This was cited with approval

by Judge Morrow in *United States v. American Lumber Co.* (C. C.), 80 Fed. 309, and in *Sidney L. Bauman, etc., Co. v. Hart*, 192 Fed. 498, 113 C. C. A. 104.

3. Another ground upon which this provision of the act must be upheld is that the courts of the United States, inferior to the Supreme Court, are not established by the Constitution, but owe their existence and powers to Congress alone. That they possess no powers not granted by an Act of Congress was determined as early as 1809 in *Bank of United States v. Decause*, 9 U. S. 61, and again in 1812 in *United States v. Hudson*, 11 U. S. 32, and uniformly adhered to ever since. A late case in which this ruling is reaffirmed is *In re Wisner*, 203 U. S. 449, 455. That Congress may increase or diminish their powers, or abolish them, is beyond question. It has done so a number of times. The judiciary act of 1875, 18 Statutes 470, extended the jurisdiction of the circuit courts of the United States materially; the act of 1887, 24 Statutes 552, contracted it; the Judicial Code, 36 Statutes 1087, increased it in some respects and in others decreased it. By that act, Congress abolished the circuit courts, and no one ever questioned the exercise of these powers by Congress. If Congress, by the act under consideration, has seen proper to authorize the contraction of the jurisdiction of the district courts, by limiting the courts in which actions may be maintained, it has only exerted the power which has been exercised ever since the enactment of the first judiciary act, in 1789, by the First Congress under the Constitution. Possessing this power, Congress may well determine in what courts actions may or may not be maintained.

The Constitution confers on the Supreme Court appellate jurisdiction but "with such exceptions and under such regulations as Congress shall make." In *ex parte McCordle*, 74 U. S. 506, 514, it was held that Congress could deprive that court of appellate jurisdiction, and the repeal of an act of Congress granting appellate jurisdiction in certain causes deprived the court of the power to review judgments in such actions. This case has been followed as a correct interpretation of the powers of Congress in all cases involving this question, decided since. *Murphy v. Otter*, 186 U. S. 95, 109.

In *Dolley v. Pennsylvania R. R. Co.* (D. C.), 250 Fed. 142, Judge Booth passed upon an act similar to this and sustained it.

The contention that the statute is void because vesting administrative officers with legislative discretion or power is without merit. Selective Draft cases, 245 U. S. 366, 389.

It is therefore clear that the act, if it authorizes these general orders, is within the power of Congress under the Constitution.

DOES THE ACT OF CONGRESS GRANT THIS POWER TO THE PRESIDENT?

Counsel for plaintiff contend that it does not, relying upon that part of section 10 of the act which reads: "Actions at law or suits in equity may be brought by or against such carriers and judgments rendered as now provided by law."

In the opinion of the court, all this quotation means is that any person having a cause of action shall not by reason of this act, or any regulation made thereunder, be deprived of the right to maintain it in a proper court if, under the State, Federal, or common law, he is entitled to a legal remedy. It does not mean, as claimed, that having a cause of action against the carrier he has the right to institute it in any forum in which he could have brought it before the passage of this act. To meet the exigencies existing during the war, Congress has granted to the President the power to say that one shall not maintain an action in a forum where the natural effect of selecting such forum will be, in the language of General Order No. 18, "That men operating trains engaged in hauling war materials, troops, munitions, or supplies, are required to leave their trains and attend court as witnesses, and travel sometimes for hundreds of miles from their work, necessitating absence from their trains for days and sometimes for a week or more; which practice is highly prejudicial to the just interests of the Government and seriously interferes with the physical operation of the railroads; and the practice of suing in remote jurisdictions is not necessary for the protection of the rights or the just interests of plaintiffs." That the exercise of the right to maintain actions in a forum distant from the place where the witnesses reside, will seriously interfere with the successful prosecution of the war can not be open to doubt. How are the soldiers drafted under the selective-draft act to be transported from the interior to the seaports, if the operation of trains is to be interfered with in this manner? How are munitions, clothing, food, coal, and other supplies necessary to carry on the war to be transported expeditiously if the employees, without whom trains can not be operated, are to be compelled to leave their employment to attend as witnesses at places, hundreds of miles away from where their duties require them to be, whenever a person has, or imagines he has, a cause of action against the carrier, and for his convenience, or in some instances, perhaps to prevent a proper defense, institutes the action in a court far distant from the district where the cause of action arose, and in a district other than that of the residence of the plaintiff at the time of the accrual of the cause of action? The fact that not only the plaintiff but his witnesses can more conveniently attend the court, if held at or near his home, or where the cause of action accrued, may well raise a doubt whether the selection of a foreign forum is always made in good

faith. The amendment of General Order No. 18 by General Order No. 18-A was evidently intended to prevent a change of residence for the purpose of enabling a suit to be brought at a distance from where the plaintiff resided at the time of the accrual of the cause of action, as is so frequently done to enable one to maintain an action in a national court, instead of in the courts of the State of which the plaintiff and defendant were both citizens at the time of the accrual of the cause of action.

But aside from this, statutes may not be construed by selecting some part thereof and disregarding other parts. For a proper construction of a statute the whole of it must be read together, to ascertain the legislative intent. In the language of Mr. Chief Justice White in *Van Dyke v. Cordova Copper Co.*, 234, U. S. 188, 191, "We may not in order to give effect to those words virtually destroy the meaning of the entire context; that is, give them a significance which would be clearly repugnant to the statute, looked at as a whole and destructive of its obvious intent." The various provisions of an act should be read so that all may, if possible, have their due and conjoint effect without repugnancy or inconsistency. *New Lapp Chimney Co. v. Ansonia Brass Co.*, 91 U. S. 656, 662; *Aaron v. United States*, 204 Fed. 943, 123, C. C. A. 265.

Applying this canon of construction to the act and giving effect to every part of it, as is our duty, it is apparent at once how untenable this contention is. That part of section 10 applicable to the matter in controversy reads: "Sec. 10. That carriers while under Federal control shall be subject to all laws and liabilities as common carriers, whether arising under State or Federal laws or at common law, *except in so far as may be inconsistent with the provisions of this act or any other act applicable to such Federal control or with any order of the President.*" Another provision of the act is section 9: "And the President, in addition to the powers conferred by this act, shall have and is hereby given such other and further powers necessary or appropriate to give effect to the powers herein and heretofore conferred."

There is nothing in the general orders under consideration which deprives the plaintiff of her right to maintain an action against the defendant, but for reasons of public necessity, in a time of war, these regulations were made, because in the opinion of the President and Director General for good and sufficient reasons, they are necessary to prevent serious interference with the physical operation of railroads under the control of the Government and employed in the prosecution of the war. The act and regulations may well be sustained upon the ground that "*Salus populi suprema lex est.*" "The welfare of the people is the paramount law."

The demurrer to the plea is overruled.

[Form A, October 22, 1918.—For companies without subsidiaries.]

**AGREEMENT BETWEEN THE DIRECTOR GENERAL OF RAILROADS
AND THE ----- COMPANY.**

PREAMBLE AND RECITALS.

This Agreement, made this ----- day of -----, 1918, between *William G. McAdoo*, Director General of Railroads, herein-after called the Director General, acting on behalf of the United States and the President, under the powers conferred by the proclamations of the President hereinafter referred to, and the ----- Company, a corporation duly organized under the laws of the State(s) of -----, hereinafter called the Company:

Witnesseth that—

(a) WHEREAS by a proclamation dated December 26, 1917, the President, acting under the powers conferred on him by the Constitution and laws of the United States, by the joint resolutions of the Senate and House of Representatives bearing date April 6 and December 7, 1917, respectively, and particularly under the powers conferred by section 1 of the act of Congress approved August 29, 1916, entitled "An act making appropriations for the support of the Army for the fiscal year ending June 30, 1917, and for other purposes," took possession and assumed control at 12 o'clock noon on December 28, 1917, of certain railroads and systems of transportation, including the railroad and transportation system of the Company and the appurtenances thereof, and directed that the possession, control, operation, and utilization of the transportation systems thus taken should be exercised by and through William G. McAdoo, appointed Director General of Railroads; and

(b) WHEREAS the Congress of the United States, by an act approved March 21, 1918, hereinafter called the Federal control act, has authorized the President to enter into agreements with the companies owning the railroads and systems thus taken over for the maintenance and upkeep of the same during the period of Federal control, for the determination of the rights and obligations of the parties to the agreement arising from or out of Federal control, including the compensation to be received or guaranteed, and for other purposes, as in said act more fully set out, and authorize the Pres-

ident to exercise any of the powers by said act or theretofore granted him with relation to Federal control through such agencies as he might determine; and

(c) WHEREAS by a proclamation dated March 29, 1918, the President, acting under the Federal control act and all other powers him thereto enabling, authorized the Director General, either personally or through such divisions, agencies, or persons as he may appoint, and in his own name or in the name of such divisions, agencies, or persons, or in the name of the President, to agree with the carriers, or any of them, or with any other person in interest, upon the amount of compensation to be paid pursuant to law, and to sign, seal, and deliver in his own name or in the name of the President or in the name of the United States such agreements as may be necessary and expedient with the several carriers or other persons in interest respecting compensation, or any other matter concerning which it may be necessary or expedient to deal, and to make any and all contracts, agreements, or obligations necessary or expedient and to issue any and all orders which may in any way be found necessary and expedient in connection with the Federal control of systems of transportation, railroads, and inland waterways as fully in all respects as the President is authorized to do, and generally to do and perform all and singular the acts and things and to exercise all and singular the powers and duties which in and by the said act, or any other act in relation to the subject thereof, the President is authorized to do and perform; and

(d) WHEREAS the Interstate Commerce Commission has certified to the President that the amount of the average annual railway operating income of the Company, computed in the manner provided in section 1 of the Federal control act, is----- dollars and ----- cents (\$-----), subject to such changes and corrections as the Commission may hereafter determine and certify to be requisite in order that the accounts and reports of the Company used by the Commission as the basis of computing said average annual railway operating income may be brought into conformity with the accounting rules or regulations of the Commission in force at the time of such accounting, or in order to correct computations based on such accounts or reports.

Now, Therefore, the parties hereto, each in consideration of the agreements of the other herein contained, do hereby covenant and agree to and with each other as follows:

SECTION 1.—PRIVITY, ALTERATIONS, DEFINITIONS, ETC.

SEC. 1. (a) This agreement shall be binding upon the United States, the Director General and his successors, and upon the Company, its successors, and assigns.

This agreement shall not be construed as creating any right, claim, privilege, or benefit against either party hereto in favor of any State or any subdivision thereof, or of any individual or corporation other than the parties hereto.

(b) The provisions of this agreement may be altered, amended, or added to by and only by mutual consent signified by instruments in writing signed by the Director General and by some officer of the Company thereto duly authorized by the Board of Directors of the Company.

(c) Wherever in this agreement the word "Commissioner" is used it shall be understood as meaning the Interstate Commerce Commission, acting by divisions or otherwise as authorized by law; but either party shall have the right to have the decision of any division reviewed by the Commission sitting as a whole.

(d) Wherever in this agreement the words "Federal control" are used to indicate a period of time, they shall be understood as meaning the period from 12 o'clock midnight of December 31, 1917, to and including the day and hour on which said control shall cease.

(e) Wherever in this agreement the words "test period" are used, they shall be understood as meaning the period between July 1, 1914, and June 30, 1917, both inclusive.

(f) Wherever in this agreement the words "standard return" are used, they shall be understood as meaning the average annual railway operating income of the Company, computed in the manner provided in section 1 of the Federal control act, and ascertained and certified by the Commission.

(g) Wherever in this agreement the words "Director General" are used, they shall be understood as designating William G. McAdoo, or such other person as the President may from time to time appoint to exercise the powers conferred on him by law with relation to Federal control, or such agents or agencies as the Director General may from time to time appoint for the purpose; and wherever by this agreement any notice is to be given by the Director General, the same may be given in his name by any subordinate thereto duly authorized.

(h) Wherever the property of the company is referred to in this agreement it shall be understood as including all the property described in paragraph (a) of section 2 hereof, whether owned by or leased to the Company, and, where the context permits, all additions or betterments thereto or extensions thereof made during Federal control; and as to all such leased property the Company shall have the benefit of and be subject to all the obligations and provisions of this agreement and shall be subject to all duties imposed by law in respect of such leased property.

(i) The descriptive words at the heads of the several sections of this agreement and the table of contents are inserted for convenience merely, and are not to be used in the construction of the agreement.

SECTION 2.—PROPERTY TAKEN OVER.

SEC. 2. The Company's railroad and system of transportation of which the President has taken over possession, use, control, and operation shall be considered as including:

(a) The following roads and properties:

together with all branches and tracks, trackage, bridge, and terminal rights, and lines of railroad owned by or leased to and operated by the Company as a part of its system of transportation, and all other property of the Company with the appurtenances thereof, whether included in the foregoing list or not, the revenues of which were used, or which, if the property had been then owned by or leased to it and had then been revenue bearing, would have been used, in computing the Company's standard return.

The Company reserves to itself the benefit of all leases (and of all rents and revenues accruing therefrom), of parts of its right of way, station grounds, and other property, the revenues from which under the accounting rules of the Commission in force during the test period were properly creditable to "miscellaneous rent income" or "miscellaneous income." The Company grants to the Director General all its rights to terminate leases of any part of its right of way, yards, or station grounds, and to occupy and use the premises of any such lessee when, in his judgment, the same is required for operating purposes. The Company shall have for its own benefit the right to lease for industrial sites or other purposes such portion of its right of way, yards, or station grounds, or structures thereon, as are not required by the Director General for operating purposes, and to receive and enjoy the rentals therefrom, subject to the right of the Director General to cancel any such lease and to occupy the premises or structures whenever, in his judgment, the same are necessary for operating purposes. All expenses connected with any such property heretofore or hereafter leased or otherwise occupied, as in this paragraph provided, including taxes thereon which during the test period were not charged to railway tax accruals, shall be paid by the Company while receiving the revenues therefrom.

(b) All materials and supplies on hand at midnight December 31, 1917-----

(e) All balances in the account or accounts representing the total of "Net balance receivable from agents and conductors" as of midnight December 31, 1917;

SECTION 3.—ACCEPTANCE.

SEC. 3. (a) The Company accepts all the terms and conditions of the Federal control act and any regulation or order made by or through the President under authority of said act or of that portion of the act approved August 29, 1916, referred to in paragraph (a) of the preamble to this agreement which authorizes the President in time of war to take possession, assume control, and utilize systems of transportation; and the Company further and expressly accepts the covenants and obligations of the Director General in this agreement set out and the rights arising thereunder in full adjustment, settlement, satisfaction, and discharge of any and all claims and rights, at law or in equity, which it now has or hereafter can have, otherwise than under this agreement, against the United States, the President, the Director General, or any agent or agency thereof, for compensation under the Constitution and laws of the United States for the taking possession of its property, and for the use, control, and operation thereof during Federal control, and for any and all loss and damage to its business or traffic by reason of the diversion thereof or otherwise which has been or may be caused by said taking or by said possession, use, control, and operation.

No claim is made by the Company for compensation for the period between noon of December 28 and midnight of December 31, 1917; and the revenues of said period shall belong to the Company, and the expenses thereof shall be paid by the Company, allocated in both cases as provided in paragraph (b) of section 4 hereof.

(b) The Company, on its own initiative or upon the request of the Director General, shall take all appropriate and necessary corporate action to carry out the obligations assumed by it in this agreement or lawfully imposed upon it by or pursuant to the proclamation of December 26, 1917, or by the Federal control act.

(c) The Federal control act being in section 16 thereof expressly declared to be emergency legislation enacted to meet conditions growing out of war, nothing in this agreement shall be construed as expressing or prejudicing the future policy of the Federal Government concerning the ownership, control, or regulation of the Company, or the method or basis of the capitalization thereof, and the recitals or provisions of this agreement shall not be used, as evidence or otherwise, by or against either party hereto in any pending or future proceeding which involves the acquisition or valuation of the Company's

property or any part thereof; but nothing in this paragraph shall be taken or construed as affecting the settlement and discharge contained in paragraph (a) of this section, nor as limiting or qualifying any of the provisions of said paragraph for the purposes thereof, nor as limiting the use of this agreement as evidence in any proceeding under this agreement or under the Federal control act.

SECTION 4.—OPERATION AND ACCOUNTING DURING FEDERAL CONTROL.

SEC. 4. (a) All amounts received by the Director General under paragraph (c) of section 2 hereof and all other amounts whether received from the Company in cash or collected or realized upon by him from current operating assets belonging to the Company or arising from railway operations prior to midnight of December 31, 1917, shall be credited by him to the Company; and the Director General shall, to the extent of the cash so received or realized, pay and charge to the Company all expenses arising out of railway operations prior to January 1, 1918, including reparation claims, and, unless objected to by the Company, may pay and charge to the Company any of such expenses, including reparation claims, in excess of the cash so received or realized. Balances of the above accounts shall be struck quarterly on the last days of March, June, September, and December of each year, and the cash balance found on such adjustments to be due either party shall be then payable and, if not paid, shall bear interest at the rate of 6 per cent per annum, unless the parties shall agree upon a different rate; except that the rate of interest on any portion of a balance found due to the Company which is derived from cash in bank to the credit of such Company on interest, shall be adjusted in each case independently of this contract as the parties may agree.

(b) Railway operating expenses, reparation and other claims, hire of equipment and joint facility rents shall be allocated with reference to the time when incurred as between the period prior and subsequent to midnight of December 31, 1917, and as between the period of Federal control and the period subsequent thereto. Railway operating revenues shall be allocated as between the period prior and subsequent to midnight of December 31, 1917, in accordance with the established accrual practices of the Company; except that where prior to midnight of December 31, 1917, the Company's part of a service on through business had been completed or carload lots on its own line had reached destination, the revenue of the Company for such service shall be allocated to it; but as to classes of traffic where in the opinion of the Director General such allocation will involve undue delay or undue absorption of accounting labor, such revenues shall be allocated in accordance with the established accrual

practices of the Company. Like methods of accruing and allocating such revenues shall be made at the end of Federal control.

(c) All expenditures made by the Director General during Federal control for additions and betterments, exclusive of equipment, or for extensions begun prior to January 1, 1918, shall be charged to the Company, and if the completion of any such addition, betterment, or extension is approved or ordered by the Director General, the Company shall be entitled under the provisions of paragraph (d) of section 7 hereof to interest on the cost thereof from the completion of the work; but no interest (except to the extent that the same may be allowed and included in the compensation provided for in paragraph (a) of section 7 hereof) shall be due the Company upon any such expenditures for work done prior to January 1, 1918. Payments for all equipment ordered or under construction by the Company prior to January 1, 1918, but delivered on or after that date, shall also be considered as expenditures made by order or approval of the Director General under paragraph (d) of section 7 hereof. Interest during construction payable under this paragraph, and also interest during construction on the cost of any additions, betterments, and road extensions made by the Company or at its expense to the Company's property during Federal control, shall be included in the cost of the work.

(d) Cash receipts or disbursements and other items arising out of transactions which do not enter into or form a part of those used in determining the Company's standard return shall not be received or paid by the Director General unless such transactions are negotiated or conducted by his order for account of the Company and with its consent. When moneys are so received or paid by the Director General in connection with such corporate transactions they shall be credited or charged to the Company. There shall be an accounting of the amounts due by one party or the other under this paragraph at the end of each quarter year of Federal control, and the amount so found due shall be then payable and if not paid shall bear interest as provided in paragraph (a) of this section.

(e) All sums paid by the Director General to maintain pension funds or pension obligations or practices, and all contributions to Young Men's Christian Associations of employees, employees' savings funds, relief funds or associations, reading rooms, or health, accident, or death benefits for employees, shall be treated as a part of railway operating expenses during Federal control.

(f) All salaries and expenditures incurred by the Company during Federal control for purposes which relate to the existence and maintenance of the corporation, or to the properties of the Company not taken over by the President, or to negotiations, contracts, valuations, or any business controversy with the Government or any branch

thereof, and which are not specially authorized by the Director General, shall be borne by the Company; except that the expenses of valuation now being made by the Commission to the extent that they are, in the opinion of the Director General, necessary to comply with the valuation orders and other requirements of the Commission and to the cooperation of the Company in the making of such valuation, shall be paid by the Director General as a part of railway operating expenses. If the Company is dissatisfied with the ruling of the Director General it may appeal to the Commission, whose decision shall be final.

(g) The Director General shall furnish for additions, betterments and road extensions to the Company's property approved or ordered by him any of the materials and supplies taken over under paragraph (b) of section 2 hereof, or purchased by him and held for use in connection with the Company's property, in so far as, in his judgment, he can do so with due regard to his own requirements. Materials and supplies so furnished shall be charged to the Company at cost.

(h) The Director General shall at his option be substituted for the period of Federal control in the place of the Company in respect of the benefits and obligations of contracts relating to operation in force January 1, 1918 (including contracts made by subsidiaries for the use and benefit of the Company and the right to abrogate or change and make new contracts with express companies for the period of Federal control), except as to contracts between the Company and subsidiary companies which shall be considered and treated as arrangements or practices; and the Director General shall in like manner at his option be substituted for such period in respect of the benefits and obligations of arrangements and practices in force during the test period in regard to fuel, materials, and supplies for the operation of the property described in paragraph (a) of section 2 hereof and of any additions, betterments, and road extensions thereto, obtained from any mine, oil field, or other source of supply owned or controlled by the Company, it being understood that under such arrangements or practices, if availed of by the Director General, he shall, to the extent necessary to offset any increase in the standard return growing out of the furnishing by the Company or of its subsidiaries, during the test period, of fuel, materials, and supplies under an arrangement or practice at less than the then cost or the then market value thereof for railroad purposes, be charged for such fuel, materials, and supplies a price expressed in dollars or cents per unit below or above the then cost or the then market value thereof for railroad purposes (as the practice of the Company may have been) in the same amount that the prices charged the Company during the test period were below or above the then cost or the then market value thereof for railroad purposes; and at the request of

the Director General or the Company the prices for fuel or materials supplied between December 31, 1917, and the execution of this contract shall be adjusted on the foregoing basis: *Provided, however,* That a source of supply which the Company had acquired to safeguard its own operations shall not be depleted or reduced for use on other transportation systems, except in cases of emergency to be determined by the Director General, in which event the quantity so used on other transportation systems shall be accounted for to the Company at the fair value thereof: *And provided further,* That materials and supplies secured under contracts which the Company had made for its own operations shall, so far as practicable, be used on the Company's property, and that, if used on any other transportation system, materials and supplies of like character shall be furnished by the Director General for use in making such additions, betterments, and road extensions as shall be chargeable to the Company, and shall be charged at cost under such contracts.

(i) The Director General shall pay, or save the Company harmless from, all expenses incident to or growing out of the possession, operation, and use of the property taken over during Federal control, except the expenses which under this agreement are to be borne by the Company. He shall also pay or save the Company harmless from all rents called in the monthly reports to the Commission equipment rents or joint-facility rents, and all judgments or decrees that may be recovered or issued against, and all fines and penalties that may be imposed upon, the Company by reason of any cause of action arising out of Federal control, or of anything done or omitted in the possession, operation, use, or control of the Company's property during Federal control, except judgments or decrees founded on obligations of the Company to the Director General or the United States.

(j) Except as otherwise provided in this agreement, the Director General shall save the company harmless from any and all liability, loss, or expense resulting from or incident to any claim made against the Company growing out of anything done or omitted during Federal control in connection with, or incident to, operation or existing contracts relating to operation, and shall do and perform, so far as is requisite under Federal control for the protection of the Company, all and singular the things, of which he may have notice, necessary and appropriate to prevent, because of Federal control or of anything done or omitted thereunder, the forfeiture or loss by the Company of any of its property rights, ordinance rights, or franchises, or of its trackage, lease, terminal, or other contracts involving a facility of operation; but nothing herein contained shall be construed to require the Director General to make any capital expenditure necessary to preserve a franchise or ordinance right not

heretofore availed of by the Company. The Director General shall also save the Company harmless from any and all claims for breach of covenant heretofore entered into by the Company or by any predecessor in title or interest in any mortgage or other instrument in respect to insurance against losses by fire.

Nothing in this or in the preceding paragraph shall be construed to be an assumption by the Director General of, or to make him liable on, any obligation of the Company to pay a debt secured by a mortgage or any rent under a lease, except rents which during the test period were called in the monthly reports to the Commission equipment rents and joint facility rents and rents which under the accounting rules of the Commission in force during the test period were classified as operating expenses.

The Company shall, during Federal control, pay the rents of any property, held by it under lease or contract, described in paragraph (a) of section 2 hereof, except the rents which during the test period were, under the rules of the Commission, classified as equipment rents or joint facility rents, and rents which were classified as operating expenses; which excepted rents shall be paid by the Director General. If the lease of, or right to use, any property described in paragraph (a) of said section 2 expires during Federal control, the Company shall, if possible, and if requested by the Director General, renew the same; the rental, however, of property in the excepted classes above mentioned shall be paid by the Director General. The Company shall pay the same amount of rent as was payable at the beginning of Federal control for other property, the lease of or right to use which is renewed at the request of the Director General, but any increase in the rental of such other property shall be paid by the Director General.

(k) In carrying out the provisions of paragraphs (a), (b), (c), and (d) of this section and the provisions of section 6 hereof the Director General shall not settle any claim by or against the Company against the objection in writing of the president or of any other duly authorized officer of the Company. The conduct of all litigation before any court or commission arising out of such disputed claims, or out of operation prior to Federal control, shall be in charge of the Director General's legal force and the expense thereof shall be paid by the Director General; but the Company may, at its own expense, employ special counsel in connection with any such litigation.

(l) Nothing in this agreement shall be construed as inconsistent with the provision in section 10 of the Federal control act that no process, mesne or final, shall be levied against any property under Federal control, nor as a waiver by the United States of any claim that might otherwise be made by it that the rights of any State or subdivision thereof or of any individual or corporation have been

abrogated or suspended by the taking over of the Company's property or by Federal control.

(m) The Company shall have the right at all reasonable times to inspect the books and accounts kept by the Director General relating to the property of the Company, or to the operation thereof, and the Director General shall during Federal control furnish the Company with a copy of the operating reports relating to its property, and as soon as practicable after the end of each fiscal year shall furnish to the Company a complete list of its equipment as of the end of such fiscal year.

SECTION 5.—UPKEEP.

SEC. 5. (a) During the period of Federal control the Director General shall, annually, as nearly as practicable, expend and charge to railway operating expenses, either in payments for labor and materials or by payments into funds, such sums for the maintenance, repair, renewal, retirement, and depreciation of the property described in paragraph (a) of section 2 hereof as may be requisite in order that such property may be returned to the Company at the end of Federal control in substantially as good repair and in substantially as complete equipment as it was on January 1, 1918: *Provided, however,* That the annual expenditure and charges for such purposes during the period of Federal control on such property and the fair distribution thereof over the same, or the payment into funds of an amount equal in the aggregate (subject to the adjustments provided in paragraph (c) and to the provisions of paragraph (e) of this section) to the average annual expenditure and charges for such purposes included under the accounting rules of the Commission in railway operating expenses during the test period, less the cost of fire insurance included therein, shall be taken as a full compliance with the foregoing covenant.

(b) The Director General may expend such sums, if any, in addition to those expended and charged under paragraph (a) of this section (subject to the adjustments provided in paragraph (c) of this section) as may be requisite for the safe operation of the property described in paragraph (a) of section 2 hereof, assuming a use similar to the use during the test period and not substantially enhancing the cost of maintenance over the normal standard of maintenance of railroads of like character and business during said period; and the amount, if any, of such excess expenditures during Federal control shall be made good by the Company as provided in paragraph (b) of section 7 hereof.

(c) In comparing the amounts expended and charged under the provisions of paragraphs (a) and (b) of this section with the

amounts expended and charged during the test period, due allowance shall be made for any difference that may exist between the cost of labor and materials and between the amount of property taken over and the average for the test period, and, as to paragraph (a), for any difference in use between that of the test period and during Federal control which in the opinion of the Commission is substantial enough to be considered, so that the result shall be, as nearly as practicable, the same relative amount, character, and durability of physical reparation.

(d) At the request of either party there shall be an accounting of the amounts due by one party or the other under paragraphs (a) and (b) of this section at the end of each year of Federal control and at the end of Federal control.

(e) If during Federal control any of the property described in paragraph (a) of section 2 hereof or any replacement thereof or addition thereto or betterment or extension thereof is destroyed or damaged otherwise than by fire or public enemies, and is not restored or replaced by the Director General, he shall reimburse the Company the value of the property destroyed or the amount of the damage at the time of the loss, and the cost of restoration or replacement, or said value or damage, as the case may be, shall be charged to annual railway operating expenses; it being understood that extraordinary losses caused by floods, explosions, train wrecks, or accident are included in the matters covered by this paragraph, while ordinary losses due to such causes are included in the matters covered by paragraph (a) of this section: *Provided, however,* That if the Commission, on application of either party and after giving due consideration to the practice of the Company during the test period in respect to such matters and to any other pertinent facts and circumstances, determines that it is just and reasonable that the said cost or value shall be apportioned or extended over a period of more than one year, this shall be done, and so much of said cost or value as may be apportioned by the Commission over the period subsequent to Federal control, shall be charged to the Company in the final accounting at the end of Federal control and shall be paid by it.

If, during Federal control, any of the property described in paragraph (a) of section 2 hereof or any replacement thereof or addition thereto or betterment or extension thereof is destroyed or damaged by fire, and is not restored or replaced by the Director General, he shall reimburse the Company the value of the property destroyed or the amount of the damage at the time of the fire; and the cost of restoration or replacement or said value or damage, as the case may be, shall be charged to annual railway operating expenses, but the same shall not be considered a charge to such expenses for the purposes specified in paragraph (a) of this section.

In case of any such loss or damage by fire, the Director General shall, if given written notice of the requirements of any mortgage, equipment lease, or trust on the property so destroyed or damaged, make such restoration or replacement, or pay such value or damage, in such way as to meet the requirements of such mortgage, equipment lease, or trust in the same manner as would have been proper in applying the proceeds of insurance on such property if it had been insured by the Company against loss or damage by fire in accordance with the terms of such instruments of lien; and a compliance with the written request of the Company in respect thereof shall be a full acquittance of any obligation of the Director General in the premises.

The foregoing parts of this paragraph are subject to the proviso that in case of loss or damage any additions and betterments made in connection with or as a part of the restoration or replacement of property damaged or destroyed and chargeable under the accounting rules of the Commission in force December 31, 1917, to investment in road and equipment, shall be charged to and paid by the Company.

The Director General shall not be liable to the Company for any loss or damage due to the acts of public enemies.

(f) If any additions, betterments, or road extensions are made to the property taken over or any equipment is added at the expense of the Company and with the approval or by order of the Director General during Federal control, he shall expend and charge to railway operating expenses such sums either in payments for labor and materials or by payments into funds, as may be requisite for the proper maintenance, repair, renewal, retirement, and depreciation of such property until the end of Federal control.

(g) The Company shall have the right to inspect its property at all reasonable times during Federal control, and the Director General shall provide reasonable facilities for such inspection.

(h) If any question shall arise, either during or at the end of Federal control, as to whether the covenants or provisions in this section contained are being or have been observed, the matter in dispute shall, on the application of either party, be referred to the Commission which, after hearing, shall make such findings and order as justice and right may require, which shall be final as to the questions submitted and shall be binding on and observed by both parties hereto, except that either party may take any question of law to the courts, if he or it so desires.

SECTION 6.—TAXES.

SEC. 6. (a) All taxes assessed under Federal or any other governmental authority for the period prior to January 1, 1918, including a proportionate part of any such tax assessed after December 31,

1917, for a period which includes any part of 1917 or preceding years, and unpaid on that date, all taxes commonly called war taxes which have been or may be assessed against the Company under the act of Congress entitled "An act to provide revenue to defray war expenses and for other purposes," approved October 3, 1917, or under any act in addition thereto or in amendment thereof, and all taxes which have been or may be assessed on property under construction, and all assessments which have been or may be made for public improvements, chargeable under the accounting rules of the Commission in force December 31, 1917, to investment in road and equipment, shall be paid by the Company; but upon the amount thus chargeable to investment interest shall be paid to the Company during Federal control at the rate provided in paragraph (d) of section 7 hereof. Taxes assessed during construction on additions, betterments, and road extensions made by the Company with the approval or by order of the Director General during Federal control, shall be considered a part of the cost of such additions, betterments, and extensions and shall, under the provisions of paragraph (d) of section 7 hereof, bear interest as a part of such cost from the date of the completion of such additions, betterments, or extensions. Assessments for public improvements which do not become a part of the property taken over shall bear interest from the date of the payment of such assessment.

(b) If any tax or assessment which under this agreement is to be paid by the Company is not paid by it when due, the same may be paid by the Director General and deducted from the next installment of compensation due under section 7 hereof. If any taxes properly chargeable to the Director General have been or shall be paid by the Company, it shall be duly reimbursed therefor.

(c) The Director General shall either pay out of revenues derived from railway operation during the period of Federal control or shall save the Company harmless from all taxes lawfully assessed under Federal or any other governmental authority for any part of said period on the property under such control, or on the right to operate as a carrier, or on the revenues derived from operation, and all other taxes which under the accounting rules of the Commission in force December 31, 1917, are properly chargeable to "railway tax accruals," except the taxes and assessments for which provision is made in paragraph (a) of this section. The Director General shall pay or save the Company harmless from the expense of all suits respecting the classes of taxes payable by him under this agreement.

(d) If any such tax is for a period which began before January 1, 1918, or continues beyond the period of Federal control, such portion of such tax as may be apportionable to the period of Federal control shall be paid by the Director General, and the remainder shall be paid by the Company.

(e) Whenever a period for which a tax is assessed can not be definitely determined, so much of such tax as is payable in any calendar year shall be treated as assessed for such year.

SECTION 7.—COMPENSATION.

SEC. 7. (a) The annual compensation guaranteed to the Company under section 1 of the Federal control act shall be the sum of _____ dollars and _____ cents (\$_____) during each year and pro rata for each fractional part of a year of Federal control, subject, however, to any increase or decrease in the standard return hereafter made by the Commission as provided in paragraph (d) of the preamble of this agreement.

(b) The said compensation shall be paid to the Company quarterly in equal installments on the last days of March, June, September, and December of each year for the quarter ending therewith, except that the first three installments shall be due as of March 31, 1918, June 30, 1918, and September 30, 1918, respectively, but shall be paid upon the execution of this agreement; but from each installment there may be deducted any amount then due by the Company under paragraphs (a) and (d) of section 4 hereof, under paragraph (b) of section 5 hereof, and under paragraph (b) of section 6 hereof, and all amounts required to reimburse the United States for the cost of additions and betterments made to the property of the Company not justly chargeable to the United States, unless such matters are financed or otherwise taken care of by the Company to the satisfaction of the Director General, and the Director General may apportion any such amounts to two or more subsequent installments: *Provided, however,* That said power to deduct amounts due or accruing under paragraph (b) of section 5 hereof and the cost of additions and betterments not justly chargeable to the United States shall not be so exercised as to prevent the Company from paying out the sums reasonably required to support its corporate organization, to keep up sinking funds for the Company's debts required by contracts in force December 31, 1917, to pay its taxes, to pay rents and other amounts (not chargeable to capital account) properly payable by the Company for leased or operated roads and properties, to pay interest which has heretofore been regularly paid by the Company, and interest on loans issued during Federal control and approved by the Director General, nor shall such deduction be made in respect of additions and betterments which are for war purposes and not for the normal development of the Company, nor in respect of road extensions, nor in respect of amounts due under paragraphs (a) and (d) of section 4 hereof, in cases where the current assets, including materials and supplies, of the Company taken over by the Director General under the provisions

of this agreement clearly exceed the current liabilities of the Company paid or assumed by the Director General under said section. In the event of a difference as to the fact whether additions and betterments are for war purposes and not for the normal development of the Company, or as to whether an addition is a road extension, the question may, on application of either party, be referred to and determined by the Commission.

The power provided in this paragraph to deduct the amount due by the Company for the cost of additions and betterments not justly chargeable to the United States is further declared to be an emergency power, to be used by the Director General only when he finds that no other reasonable means is provided by the Company to reimburse the United States, and, as contemplated by the President's proclamation and by the Federal control act, it will be the policy of the Director General to so use such power of deduction as not to interrupt unnecessarily the regular payment of dividends as made by the Company during the test period.

Overdue installments of compensation, or balances thereof, provided for in this section shall bear interest from maturity at the rate of five per cent per annum, except that if the Director General shall, prior to the execution of this contract, have loaned the Company any money, the installments of compensation overdue at the date of the execution hereof shall bear interest from maturity at the same rate as that charged to the Company on such loans.

(c) During Federal control the Company shall not, without the prior approval of the Director General, issue any bonds, notes, equipment trust certificates, stock, or other securities, or enter into any contracts (except contracts in respect of corporate affairs and property not taken under Federal control), or agree to pay interest on its debt at a higher rate, or for rent of leased roads and properties a larger amount, than the rates and amounts payable as of, or required by contracts in force on, December 31, 1917. The Company may, however, procure the authentication and delivery to it under any mortgage or trust deed or agreement in force December 31, 1917, of bonds or notes issuable thereunder in respect of additions, betterments, extensions, and equipment, or for refunding purposes.

(d) Upon the cost of additions and betterments, less retirements in connection therewith, and upon the cost of road extensions, made to the property of the Company during Federal control, the Director General shall, from the completion of the work, pay the Company a reasonable rate of interest, to be fixed by him on each occasion. In fixing such rate or rates he may take into account not merely the value of money but all pertinent facts and circumstances, whether the money used was derived from loans or otherwise, provided that to the extent that the money is advanced by the Director General

or is obtained by the Company from loans or from the proceeds of securities the rate or rates shall be the same as that charged by the Director General for loans to the Company or to other companies of similar credit.

(e) From its compensation so received or from other income, if adequate for the purpose, the Company shall make all payments of interest, rents (other than the equipment rents, joint facility rents, and rents classified as operating expenses, mentioned in paragraph (j) of section 4 hereof), and other sums necessary to prevent a default under any mortgage or lease of any of the property described in paragraph (a) of section 2 hereof; and if at any time during Federal control the Company, by virtue of any change in the right of possession (subject to the rights of the United States) to any of said property or otherwise, shall no longer be entitled as between itself and any other person or corporation to receive the entire compensation herein provided, such compensation shall be apportioned and paid, as between the parties entitled thereto, as justice and right may require.

SECTION 8.—CLAIMS FOR LOSSES ON ADDITIONS, ETC.

SEC. 8. (a) Prompt notice in writing, except as provided in paragraph (d) of this section, shall be given the Company of the making or ordering of any additions, betterments, or road extensions, including terminals, motive power, cars, or other equipment to or for the property of the Company costing more than one thousand dollars, with an estimate of the cost thereof. Such notice shall be given before the beginning of the work or the acquisition of the property whenever in the judgment of the Director General it is practicable to do so. Within a reasonable time after the completion of the work or the acquisition of the property, a written statement of the final cost thereof shall be given the Company. There shall be furnished the Company, as soon as practicable after the end of each month, a written statement of all expenditures estimated to cost one thousand dollars or less chargeable to investment in road and equipment made during the month, with a brief description of the work done or of the property acquired; and such statement shall constitute all the notice of additions and betterments costing one thousand dollars or less required by (b) and (c) of this section. The notices provided in this paragraph may be given to the president of the Company unless the Company designates some other officer to receive the same, in which event the notice shall be given to such other officer.

(b) Any claim of the Company for loss accruing to it by reason of expenditures for additions and betterments made to the property of the Company during Federal control in connection with or as a part of the work of maintaining, repairing, and renewing the Com-

pany's property and chargeable under the accounting rules of the Commission in force December 31, 1917, to investment in road and equipment, except such expenditures as are incurred in connection with the replacement of buildings and structures in new locations, may be determined by agreement between the Director General and the Company, or, failing such agreement, as to the fact or amount of such loss, the questions at issue may, upon the application of either party at any time after the filing of the statement of claim herein-after referred to, be ascertained in the manner provided in section 3 of the Federal control act: *Provided, however,* That no loss shall be claimed by the Company and no money shall be due to it in respect of such additions and betterments upon the ground that the actual cost thereof at the time of construction was greater than under other market and commercial conditions; and for the purpose of determining such controversy the amount paid for any addition or betterment shall be deemed the fair and reasonable cost thereof and shall be taken as the basis for such determination; nor unless the Company, within sixty days of notice to it that the work will be done, shall give the Director General notice of objection thereto and shall file with the Director General a statement of its claim within ninety days after notice of the completion of the work.

(e) Any claim of the Company for loss accruing to it by reason of any additions and betterments which are not made in connection with or as a part of the work of maintaining, repairing, and renewing the Company's property, or accruing to it in connection with maintenance in the replacement of buildings and structures in new locations, or by reason of road extensions, terminals, motive power, cars, or other equipment made to or provided for the property of the Company during Federal control, may be determined by agreement between the Director General and the Company, or failing such agreement as to the fact or amount of such loss, may, by proceedings instituted not later than six months after the end of Federal control, be ascertained in the manner provided in section 3 of the Federal control act: *Provided, however.* That no loss shall be claimed by the Company and no money shall be due to it in respect of such additions, betterments, road extensions, terminals, motive power, cars, or other equipment mentioned in this paragraph upon the ground that the actual cost thereof at the time of construction or acquisition was greater than under other market and commercial conditions; and for the purpose of determining such controversy the amount paid for any additions, betterments, road extensions, terminals, motive power, cars, or other equipment shall be deemed the fair and reasonable cost thereof and shall be taken as the basis for such determination: nor unless within sixty days after notice to the Company of such construction or acquisition written notice is given to the Direc-

tor General by the Company that it will claim a loss in respect thereof. With and as a part of such notice the Company shall state its objections to such construction or acquisition as far as reasonably practicable at the time. Nothing in this agreement shall be construed as barring the United States from contending that no loss within the meaning of the Federal control act accrued to the Company by reason of any additions, betterments, or road extensions made during Federal control by order or approval of the Director General, if it is made to appear that the Company itself but for Federal control should in the exercise of sound judgment have made such addition, betterment or road extension.

(d) Where additions, betterments, or road extensions or terminals, motive power, cars, or other equipment have been made to or provided for the property of the Company during Federal control but prior to the execution of this agreement, the Director General shall not be required to give the notice thereof provided for in paragraph (a) of this section and notice by the Company of any claim of loss in respect thereto may be given the Director General within ninety days after the execution hereof; and such claims shall thereafter be proceeded with in the manner provided in paragraph (b) or paragraph (c) of this section, as the case may be.

(e) The Director General shall reimburse the Company for the amount of loss ascertained under this section with a proper adjustment of interest thereon.

(f) The Director General shall not acquire any motive power, cars, or other equipment at the expense, or on the credit, of the Company in excess of what in his judgment is necessary, in addition to its then existing equipment, to provide for the traffic requirements of its own system of transportation; but this provision shall not prevent the Director General, after the acquisition of such equipment, from using the same, or any part thereof, on the line of any other transportation system operated by him.

SECTION 9.—FINAL ACCOUNTING.

SEC. 9 (a) At the end of Federal control all the property described in paragraph (a) of section 2 hereof shall be returned to the Company, together with all repairs, renewals, additions, betterments, replacements, and road extensions thereto which have been made during Federal control, except as any part thereof may have been destroyed or retired and not replaced, in which case the provisions of section 5 hereof shall govern and except that the Director General shall not be obliged to restore or replace property destroyed or damaged by the acts of public enemies.

(b) At the end of Federal control the Director General shall return to the Company all uncollected accounts received by him from

the Company and also materials and supplies equal in quantity, quality, and relative usefulness to that of the materials and supplies which he received and to the extent that the Director General does not return such materials and supplies he shall account for the same at prices prevailing at the end of Federal control. To the extent that the Company receives materials and supplies in excess of those delivered by it to the Director General it shall account for the same at the prices prevailing at the end of Federal control, and the balance shall be adjusted in cash.

(c) The total amount of the account "Net balance receivable from agents and conductors" at the end of Federal control may be turned over by the Director General to the Company. He may also turn over all assets which have accrued out of operation; and the Company shall, to the extent of the cash received or realized from such assets, pay and charge to the Director General all expenses arising out of railway operations during Federal control, including reparation and other claims, and may, unless objection is made by the Director General, pay and charge to him any such expenses including reparation and other claims in excess of the cash so received or realized. On the first day of the third month following the termination of Federal control an accounting between the parties shall be had, and so on the first of each third month thereafter. Any balance found due either party shall be payable as of the date on which the account is stated and shall bear interest until paid.

(d) At the end of Federal control there shall be paid to the Company any balance then remaining unpaid of the cash received from the Company at the beginning of or during Federal control, together with any unpaid interest which may have accrued upon the same. There shall also be paid to the Company any funds created under the provisions of this agreement, except to the extent that such funds may have been properly used under this agreement.

(e) Wherever under any provision of this section there is to be an adjustment of interest, it shall be at the rate of five per cent per annum unless the parties shall in any case agree on a different rate.

(f) After Federal control no claim by or against the Director General shall be settled by the Company against the written objection of the Director General or the Attorney General of the United States. The conduct of all litigation before any court or commission arising out of such disputed claims or out of operations during Federal control shall be in charge of the Company's legal force and the expense thereof shall be paid by the Company; but the Director General or the Attorney General may, at the expense of the United States, employ special counsel in connection with any such litigation.

[Form B, October 22, 1918.—For Companies with Subsidiaries.]

**AGREEMENT BETWEEN THE DIRECTOR GENERAL OF RAILROADS
AND ----- COMPANY AND OTHER CORPORATIONS.**

PREAMBLE AND RECITALS.

This agreement, made this _____ day of _____, 1918, between *William G. McAdoo*, Director General of Railroads, hereinafter called the Director General, acting on behalf of the United States and the President, under the powers conferred by the proclamations of the President hereinafter referred to, party of the first part, and the ----- parties of the second part:

Witnesseth that—

(a) WHEREAS by a proclamation dated December 26, 1917, the President, acting under the powers conferred on him by the Constitution and laws of the United States, by the joint resolutions of the Senate and House of Representatives bearing date April 6 and December 7, 1917, respectively, and particularly under the powers conferred by section 1 of the act of Congress approved August 29, 1916, entitled "An act making appropriations for the support of the Army for the fiscal year ending June 30, 1917, and for other purposes," took possession and assumed control at 12 o'clock noon on December 28, 1917, of certain railroads and systems of transportation, including the railroads and transportation systems of the Companies and the appurtenances thereof, and directed that the possession, control, operation, and utilization of the transportation systems thus taken should be exercised by and through *William G. McAdoo*, appointed Director General of Railroads; and

(b) WHEREAS the Congress of the United States, by an act approved March 21, 1918, hereinafter called the Federal control act, has authorized the President to enter into agreements with the companies owning railroads and systems thus taken over for the maintenance and upkeep of the same during the period of Federal control, for the determination of the rights and obligations of the parties to the agreement arising from or out of Federal control including the compensation to be received or guaranteed, and for other purposes,

as in said act more fully set out, and authorized the President to exercise any of the powers by said act or theretofore granted him with relation to Federal control through such agencies as he might determine; and

(c) WHEREAS by a proclamation dated March 29, 1918, the President, acting under the Federal control act and all other powers him thereto enabling, authorized the Director General either personally or through such divisions, agencies, or persons as he may appoint, and in his own name or in the name of such divisions, agencies, or persons, or in the name of the President, to agree with the carriers, or any of them, or with any other person in interest, upon the amount of compensation to be paid pursuant to law, and to sign, seal, and deliver in his own name or in the name of the President or in the name of the United States such agreements as may be necessary and expedient with the several carriers or other persons in interest respecting compensation, or any other matter concerning which it may be necessary or expedient to deal, and to make any and all contracts, agreements, or obligations necessary or expedient and to issue any and all orders which may in any way be found necessary and expedient in connection with the Federal control of systems of transportation, railroads, and inland waterways as fully in all respects as the President is authorized to do, and generally to do and perform all and singular the acts and things and to exercise all and singular the powers and duties which in and by the said act, or any other act in relation to the subject thereof, the President is authorized to do and perform; and

(d) WHEREAS the Interstate Commerce Commission has certified to the President the amount of the average annual railway operating incomes of the said Companies, computed in the manner provided in section 1 of the Federal control act, and the aggregate of which amounts is ----- dollars, and ----- cents (\$-----), subject to such changes and corrections as the Commission may hereafter determine and certify to be requisite in order that the accounts and reports of the Companies used by the Commission as the basis of computing said average annual railway operating incomes may be brought into conformity with the accounting rules or regulations of the Commission in force at the time of such accounting, or in order to correct computations based on such accounts or reports.

Now, Therefore, the parties hereto, of the first and second parts, respectively, each in consideration of the agreements of the other herein contained, do hereby covenant and agree to and with each other as follows:

SECTION 1.—PRIVITY, ALTERATIONS, DEFINITIONS, ETC.

SEC. 1. (a) This agreement shall be binding upon the United States, the Director General and his successors, and upon the Companies, and their respective successors and assigns.

Wherever in this agreement the word "Company" is used, it shall be understood as meaning the _____ Company; the words "Affiliated Companies" shall be understood as meaning the _____ other corporations, parties to this agreement; and the word "Companies" shall be understood as meaning the _____ corporations, parties to this agreement.

The rights and obligations of the Companies in this agreement contained are several, not joint. The Company owns all the stock, except directors' qualifying shares, of all the Affiliated Companies.

This agreement shall not be construed as creating any right, claim, privilege, or benefit against any party hereto in favor of any state or any subdivision thereof, or of any individual or corporation other than the parties hereto.

(b) The provisions of this agreement may be altered, amended, or added to by and only by mutual consent signified by instruments in writing signed by the Director General and by some officer of the Company thereto duly authorized by the Board of Directors of the Company.

(c) Wherever in this agreement the word "Commission" is used it shall be understood as meaning the Interstate Commerce Commission, acting by divisions or otherwise as authorized by law; but any party shall have the right to have the decision of any division reviewed by the Commission sitting as a whole.

(d) Wherever in this agreement the words "Federal control" are used to indicate a period of time, they shall be understood as meaning the period from 12 o'clock midnight of December 31, 1917, to and including the day and hour on which said control shall cease.

(e) Wherever in this agreement the words "test period" are used, they shall be understood as meaning the period between July 1, 1914, and June 30, 1917, both inclusive.

(f) Wherever in this agreement the words "standard return" are used, they shall be understood as meaning average annual railway operating income, computed in the manner provided in section 1 of the Federal control act, and ascertained and certified by the Commission.

(g) Wherever in this agreement the words "Director General" are used, they shall be understood as designating William G. McAdoo, or such other person as the President may from time to time appoint to exercise the powers conferred on him by law with relation to Federal

control, or such agents or agencies as the Director General may from time to time appoint for the purpose; and wherever by this agreement any notice is to be given by the Director General, the same may be given in his name by any subordinate thereto duly authorized.

(h) Wherever the property of any of the Companies is referred to in this agreement it shall be understood as including all the property described in paragraph (a) of section 2 hereof, whether owned by or leased to the Companies, and, where the context permits, all additions or betterments thereto or extensions thereof made during Federal control; and as to all such leased property the Companies shall have the benefit of and be subject to all the obligations and provisions of this agreement and shall be subject to all duties imposed by law in respect of such leased property.

(i) The descriptive words at the heads of the several sections of this agreement and the table of contents are inserted for convenience merely, and are not to be used in the construction of the agreement.

SECTION 2.—PROPERTY TAKEN OVER.

SEC. 2. The railroads and systems of transportation of the Company and of its said Affiliated Companies of which the President has taken over possession, use, control, and operation shall be considered as including:

(a) The following roads and properties:

together with all branches and tracks, trackage, bridge, and terminal rights, and lines of railroad owned by or leased to and operated by any of the Companies as a part of their systems of transportation, and all other property of the Companies, with the appurtenances thereof, whether included in the foregoing list or not, the revenues of which were used, or which, if the property had been then owned by or leased to the Companies and had then been revenue bearing, would have been used, in computing the standard return of any of the Companies.

Each of the Companies reserves to itself the benefit of all leases (and of all rents and revenues accruing therefrom) of parts of its right of way, station grounds, and other property, the revenues from which under the accounting rules of the Commission in force during the test period were properly creditable to "miscellaneous rent income" or "miscellaneous income." Each of the Companies grants to the Director General all its rights to terminate leases of any part of its right of way, yards, or station grounds, and to occupy and use the premises of any such lessee when, in his judgment, the same is required for operating purposes. Each of the Companies shall have

for its own benefit the right to lease for industrial sites or other purposes such portion of its right of way, yards, or station grounds, or structures thereon as are not required by the Director General for operating purposes, and to receive and enjoy the rentals therefrom, subject to the right of the Director General to cancel any such lease and to occupy the premises or structures whenever, in his judgment, the same are necessary for operating purposes. All expenses connected with any such property heretofore or hereafter leased or otherwise occupied, as in this paragraph provided, including taxes thereon which during the test period were not charged to railway tax accruals, shall be paid by the Companies while receiving the revenues therefrom.

(b) All materials and supplies on hand at midnight December 31, 1917.

(c) All balances in the account or accounts representing the total of "Net balance receivable from agents and conductors" as of midnight December 31, 1917.

SECTION 3.—ACCEPTANCE.

SEC. 3. (a) The Companies accept all the terms and conditions of the Federal control act and any regulation or order made by or through the President under authority of said act or of that portion of the act approved August 29, 1916, referred to in paragraph (a) of the preamble to this agreement which authorizes the President in time of war to take possession, assume control, and utilize systems of transportation; and they further and expressly accept the covenants and obligations of the Director General in this agreement set out and the rights arising thereunder in full adjustment, settlement, satisfaction, and discharge of any and all claims and rights, at law or in equity, which they or any of them now have or hereafter can have, otherwise than under this agreement, against the United States, the President, the Director General, or any agent or agency thereof, for compensation under the Constitution and laws of the United States for the taking possession of their property, and for the use, control, and operation thereof during Federal control, and for any and all loss and damage to their business or traffic by reason of the diversion thereof or otherwise which has been or may be caused by said taking or by said possession, use, control, and operation.

No claim is made by the Companies for compensation for the period between noon of December 28 and midnight of December 31, 1917; and the revenues of said period shall belong to the Companies, and the expenses thereof shall be paid by them, allocated in both cases as provided in paragraph (b) of section 4 hereof.

(b) The Companies, on their own initiative or upon the request of the Director General, shall take all appropriate and necessary cor-

porate action to carry out the obligations assumed by them in this agreement or lawfully imposed upon them by or pursuant to the proclamation of December 26, 1917, or by the Federal control act.

(c) The Federal control act being in section 16 thereof expressly declared to be emergency legislation enacted to meet conditions growing out of war, nothing in this agreement shall be construed as expressing or prejudicing the future policy of the Federal Government concerning the ownership, control, or regulation of the Companies, or the method or basis of the capitalization thereof, and the recitals or provisions of this agreement shall not be used, as evidence or otherwise, by or against any party hereto in any pending or future proceeding which involves the acquisition or valuation of the property of any of the Companies or any part thereof; but nothing in this paragraph shall be taken or construed as affecting the settlement and discharge contained in paragraph (a) of this section, nor as limiting or qualifying any of the provisions of said paragraph for the purposes thereof, nor as limiting the use of this agreement as evidence in any proceeding under this agreement or under the Federal control act.

SECTION 4.—OPERATION AND ACCOUNTING DURING FEDERAL CONTROL.

SEC. 4. (a) All amounts received by the Director General under paragraph (c) of section 2 hereof and all other amounts whether received from the Companies in cash or collected or realized upon by him from current operating assets belonging to the Companies or arising from railway operations prior to midnight of December 31, 1917, shall be credited by him to the Companies; and the Director General shall, to the extent of the cash so received or realized, pay and charge to the Companies all expenses arising out of railway operations prior to January 1, 1918, including reparation claims, and, unless objected to by the Company, may pay and charge to the Companies any of such expenses, including reparation claims, in excess of the cash so received or realized. Balances of the above accounts shall be struck quarterly on the last days of March, June, September, and December of each year, and the cash balance found on such adjustments to be due either party shall be then payable and, if not paid, shall bear interest at the rate of 6 per cent per annum, unless the parties shall agree upon a different rate; except that the rate of interest on any portion of a balance found due to the Companies which is derived from cash in bank to the credit of the Companies on interest, shall be adjusted in each case independently of this contract as the parties may agree.

(b) Railway operating expenses, reparation and other claims, hire of equipment and joint facility rents shall be allocated with

reference to the time when incurred as between the period prior and subsequent to midnight of December 31, 1917, and as between the period of Federal control and the period subsequent thereto. Railway operating revenues shall be allocated as between the period prior and subsequent to midnight of December 31, 1917, in accordance with the established accrual practices of the Companies; except that where prior to midnight of December 31, 1917, the Companies' part of a service on through business had been completed on carload lots on their own lines had reached destination, the revenue of the Companies for such service shall be allocated to them; but as to classes of traffic where in the opinion of the Director General such allocation will involve undue delay or undue absorption of accounting labor, such revenues shall be allocated in accordance with the established accrual practices of the Companies. Like methods of accruing and allocating such revenues shall be made at the end of Federal control.

(c) All expenditures made by the Director General during Federal control for additions and betterments, exclusive of equipment, or for extensions begun prior to January 1, 1918, shall be charged to the Companies, and if the completion of any such addition, betterment, or extension is approved or ordered by the Director General, the Company shall be entitled under the provisions of paragraph (d) of section 7 hereof to interest on the cost thereof from the completion of the work: but no interest (except to the extent that the same may be allowed and included in the compensation provided for in paragraph (a) of section 7 hereof) shall be due the Company upon any such expenditures for work done prior to January 1, 1918. Payments for all equipment ordered or under construction by any of the Companies prior to January 1, 1918, but delivered on or after that date, shall also be considered as expenditures made by order or approval of the Director General under paragraph (d) of section 7 hereof. Interest during construction payable under this paragraph, and also interest during construction on the cost of any additions, betterments, and road extensions made by the Companies or at their expense to the Companies' property during Federal control, shall be included in the cost of the work.

(d) Cash receipts or disbursements and other items arising out of transactions which do not enter into or form a part of those used in determining the Companies' standard return shall not be received or paid by the Director General unless such transactions are negotiated or conducted by his order for account of the Companies and with the consent of the Company. When moneys are so received or paid by the Director General in connection with such corporate transactions they shall be credited or charged to the Companies. There shall be an accounting of the amounts due by or to any of the

parties under this paragraph at the end of each quarter year of Federal control, and the amount so found due shall be then payable and if not paid shall bear interest as provided in paragraph (a) of this section.

(e) All sums paid by the Director General to maintain pension funds or pension obligations or practices, and all contributions to Young Men's Christian Associations of employees, employees' savings funds, relief funds or associations, reading rooms, or health, accident, or death benefits for employees, shall be treated as a part of railway operating expenses during Federal control.

(f) All salaries and expenditures incurred by the Companies during Federal control for purposes which relate to the existence and maintenance of the corporations, or to the properties of the Companies not taken over by the President, or to negotiations, contracts, valuations, or any business controversy with the Government or any branch thereof, and which are not specially authorized by the Director General, shall be borne by the Companies; except that the expenses of valuation now being made by the Commission to the extent that they are, in the opinion of the Director General, necessary to comply with the valuation orders and other requirements of the Commission and to the cooperation of the Companies in the making of such valuation, shall be paid by the Director General as a part of railway operating expenses. If the Company is dissatisfied with the ruling of the Director General it may appeal to the Commission, whose decision shall be final.

(g) The Director General shall furnish for additions, betterments and road extensions to the Companies' property approved or ordered by him any of the materials and supplies taken over under paragraph (b) of section 2 hereof, or purchased by him and held for use in connection with the Companies' property, in so far as, in his judgment, he can do so with due regard to his own requirements. Materials and supplies so furnished shall be charged to the Companies at cost.

(h) The Director General shall at his option be substituted for the period of Federal control in the place of the Companies in respect of the benefits and obligations of contracts relating to operation in force January 1, 1918 (including contracts made by subsidiaries for the use and benefit of the Companies and the right to abrogate or change and make new contracts with express companies for the period of Federal control), except as to contracts between the Companies and subsidiary companies which shall be considered and treated as arrangements or practices; and the Director General shall in like manner at his option be substituted for such period in respect of the benefits and obligations of arrangements and practices in force during the test period in regard to fuel, materials, and supplies

for the operation of the property described in paragraph (a) of section 2 hereof and of any additions, betterments, and road extensions thereto, obtained from any mine, oil field, or other source of supply owned or controlled by the companies, it being understood that under such arrangements or practices, if availed of by the Director General, he shall, to the extent necessary to offset any increase in the standard return growing out of the furnishing by the Companies or their subsidiaries, during the test period, of fuel, materials, and supplies under an arrangement or practice at less than the then cost or the then market value thereof for railroad purposes, be charged for such fuel, materials, and supplies a price expressed in dollars or cents per unit below or above the then cost or the then market value thereof for railroad purposes (as the practice of the Companies may have been) in the same amount that the prices charged the Companies during the test period were below or above the then cost or the then market value thereof for railroad purposes; and at the request of the Director General or the Companies the prices for fuel or materials supplied between December 31, 1917, and the execution of this contract shall be adjusted on the foregoing basis: *Provided, however,* That a source of supply which the Companies had acquired to safeguard their own operations shall not be depleted or reduced for use on other transportation systems, except in cases of emergency to be determined by the Director General, in which event the quantity so used on other transportation systems shall be accounted for to the Companies at the fair value thereof: *And provided further,* That materials and supplies secured under contracts which the Companies had made for their own operations shall, so far as practicable, be used on the Companies' property, and that, if used on any other transportation system, materials and supplies of like character shall be furnished by the Director General for use in making such additions, betterments, and road extensions as shall be chargeable to the Companies, and shall be charged at cost under such contracts.

(i) The Director General shall pay, or save the Companies harmless from, all expenses incident to or growing out of the possession, operation, and use of the property taken over during Federal control, except the expenses which under this agreement are to be borne by the Companies. He shall also pay or save the Companies harmless from all rents called in the monthly reports to the Commission equipment rents or joint-facility rents, and all judgments or decrees that may be recovered or issued against, and all fines and penalties that may be imposed upon, the Companies by reason of any cause of action arising out of Federal control, or of anything done or omitted in the possession, operation, use, or control of the Companies' property during Federal control, except judgments or decrees founded on

obligations of the Companies to the Director General or the United States.

(j) Except as otherwise provided in this agreement the Director General shall save the Companies harmless from any and all liability, loss, or expense resulting from or incident to any claim made against the Companies growing out of anything done or omitted during Federal control in connection with, or incident to, operation or existing contracts relating to operation; and shall do and perform, so far as is requisite under Federal control for the protection of the Companies, all and singular the things, of which he may have notice, necessary and appropriate to prevent, because of Federal control or of anything done or omitted thereunder, the forfeiture or loss by the Companies of any of their property rights, ordinance rights, or franchises, or of their trackage, lease, terminal, or other contracts involving a facility of operation; but nothing herein contained shall be construed to require the Director General to make any capital expenditure necessary to preserve a franchise or ordinance right not heretofore availed of by the Companies. The Director General shall also save the Companies harmless from any and all claims for breach of covenant heretofore entered into by the Companies or by any predecessor in title or interest in any mortgage or other instrument in respect to insurance against losses by fire.

Nothing in this or in the preceding paragraph shall be construed to be an assumption by the Director General of, or to make him liable on, any obligation of the Companies to pay a debt secured by a mortgage or any rent under a lease, except rents which during the test period were called in the monthly reports to the Commission equipment rents and joint-facility rents and rents which under the accounting rules of the Commission in force during the test period were classified as operating expenses.

The Companies shall, during Federal control, pay the rents of any property, held by them under lease or contract, described in paragraph (n) of section 2 hereof, except the rents which during the test period were, under the rules of the Commission, classified as equipment rents or joint facility rents, and rents which were classified as operating expenses; which excepted rents shall be paid by the Director General. If the lease of, or right to use, any property described in paragraph (n) of said section 2 expires during Federal control, the companies shall, if possible, and if requested by the Director General, renew the same; the rental, however, of property in the excepted classes above mentioned shall be paid by the Director General. The Companies shall pay the same amount of rent as was payable at the beginning of Federal control for other property, the lease of or right to use which is renewed at the request of the Director

General, but any increases in the rental of such other property shall be paid by the Director General.

(k) In carrying out the provisions of paragraphs (a), (b), (c), and (d) of this section and the provisions of section 6 hereof the Director General shall not settle any claim by or against the Companies against the objection in writing of the president or of any other duly authorized officer of the Company. The conduct of all litigation before any court or commission arising out of such disputed claims, or out of operation prior to Federal control, shall be in charge of the Director General's legal force and the expense thereof shall be paid by the Director General; but the Companies may, at their own expense, employ special counsel in connection with any such litigation.

(l) Nothing in this agreement shall be construed as inconsistent with the provision in section 10 of the Federal control act that no process, mesne or final, shall be levied against any property under Federal control, nor as a waiver by the United States of any claim that might otherwise be made by it that the rights of any State or subdivision thereof or of any individual or corporation have been abrogated or suspended by the taking over of the Companies' property or by Federal control.

(m) The Companies shall have the right at all reasonable times to inspect the books and accounts kept by the Director General relating to their property, or to the operation thereof, and the Director General shall during Federal control furnish the Companies with copies of the operating reports relating to their property, and as soon as practicable after the end of each fiscal year shall furnish to the Companies a complete list of their equipment as of the end of such fiscal year.

SECTION 5.—UPKEEP.

SEC. 5. (a) During the period of Federal control the Director General shall, annually, as nearly as practicable, expend and charge to railway operating expenses, either in payments for labor and material or by payments into funds, such sums for the maintenance, repair, renewal, retirement, and depreciation of the property described in paragraph (a) of section 2 hereof as may be requisite in order that such property may be returned to the Companies at the end of Federal control in substantially as good repair and in substantially as complete equipment as it was on January 1, 1918: *Provided, however,*, That the annual expenditure and charges for such purposes during the period of Federal control on such property and the fair distribution thereof over the same, or the payment into funds of an amount equal in the aggregate (subject to the adjustments provided in paragraph (c) and to the provisions of paragraph

(e) of this section) to the average annual expenditure and charges for such purposes included under the accounting rules of the Commission in railway operating expenses during the test period, less the cost of fire insurance included therein, shall be taken as a full compliance with the foregoing covenant.

(b) The Director General may expend such sums, if any, in addition to those expended and charged under paragraph (a) of this section (subject to the adjustments provided in paragraph (c) of this section) as may be requisite for the safe operation of the property described in paragraph (a) of section 2 hereof, assuming a use similar to the use during the test period and not substantially enhancing the cost of maintenance over the normal standard of maintenance of railroads of like character and business during said period; and the amount, if any, of such excess expenditures during Federal control shall be made good by the Companies as provided in paragraph (b) of section 7 hereof.

(c) In comparing the amounts expended and charged under the provisions of paragraphs (a) and (b) of this section with the amounts expended and charged during the test period, due allowance shall be made for any difference that may exist between the cost of labor and materials and between the amount of property taken over and the average for the test period, and, as to paragraph (a), for any difference in use between that of the test period and during Federal control which in the opinion of the Commission is substantial enough to be considered, so that the result shall be, as nearly as practicable, the same relative amount, character, and durability of physical reparation.

(d) At the request of the Director General or the Company there shall be an accounting of the amounts due by or to any of the parties under paragraphs (a) and (b) of this section at the end of each year of Federal control and at the end of Federal control.

(e) If during Federal control any of the property described in paragraph (a) of section 2 hereof or any replacement thereof or addition thereto or betterment or extension thereof is destroyed or damaged otherwise than by fire or public enemies, and is not restored or replaced by the Director General, he shall reimburse the Companies the value of the property destroyed or the amount of the damage at the time of the loss, and the cost of restoration or replacement, or said value or damage, as the case may be, shall be charged to annual railway operating expenses; it being understood that extraordinary losses caused by floods, explosions, train wrecks or accident are included in the matters covered by this paragraph, while ordinary losses due to such causes are included in the matters covered by paragraph (a) of this section: *Provided, however,* That if the Commission on application of the Director General or the Company and after giving due

consideration to the practice of the Companies during the test period in respect to such matters and to any other pertinent facts and circumstances, determines that it is just and reasonable that the said cost or value shall be apportioned or extended over a period of more than one year, this shall be done, and so much of said cost or value as may be apportioned by the Commission over the period subsequent to Federal control, shall be charged to the Companies in the final accounting at the end of Federal control and shall be paid by them.

If, during Federal control, any of the property described in paragraph (a) of section 2 hereof or any replacement thereof or addition thereto or betterment or extension thereof is destroyed or damaged by fire, and is not restored or replaced by the Director General, he shall reimburse the Companies the value of the property destroyed or the amount of the damage at the time of the fire; and the cost of restoration or replacement or said value or damage, as the case may be, shall be charged to annual railway operating expenses, but the same shall not be considered a charge to such expenses for the purposes specified in paragraph (a) of this section.

In case of any such loss or damage by fire, the Director General shall, if given written notice of the requirements of any mortgages, equipment lease, or trust on the property so destroyed or damaged, make such restoration or replacement, or pay such value or damage, in such way as to meet the requirements of such mortgage, equipment lease, or trust in the same manner as would have been proper in applying the proceeds of insurance on such property if it had been insured by the Companies against loss or damage by fire in accordance with the terms of such instruments of lien; and a compliance with the written request of the Company in respect thereof shall be a full acquittance of any obligation of the Director General in the premises.

The foregoing parts of this paragraph are subject to the proviso that in case of loss or damage any additions and betterments made in connection with or as a part of the restoration or replacement of property damaged or destroyed and chargeable under the accounting rules of the Commission in force December 31, 1917, to investment in road and equipment, shall be charged to and paid by the Companies.

The Director General shall not be liable to the Companies for any loss or damage due to the acts of public enemies.

(f) If any additions, betterments, or road extensions are made to the property taken over or any equipment is added at the expense of the Companies and with the approval or by order of the Director General during Federal control, he shall expend and charge to railway operating expenses such sums either in payments for labor and materials or by payments into funds, as may be requisite for the proper maintenance, repair, renewal, retirement, and depreciation of such property until the end of Federal control.

(g) The Companies shall have the right to inspect their property at all reasonable times during Federal control, and the Director General shall provide reasonable facilities for such inspection. -

(h) If any question shall arise, either during or at the end of Federal control, as to whether the covenants or provisions in this section contained are being or have been observed, the matter in dispute shall, on the application of the Director General or the Company, be referred to the Commission, which, after hearing, shall make such findings and order as justice and right may require, which shall be final as to the questions submitted and shall be binding on and observed by the parties hereto, except that the Director General or the Company may take any question of law to the courts, if he or it so desires.

SECTION 6.—TAXES.

Sec. 6. (a) All taxes assessed under Federal or any other governmental authority for the period prior to January 1, 1918, including a proportionate part of any such tax assessed after December 31, 1917, for a period which includes any part of 1917 or preceding years and unpaid on that date, all taxes commonly called war taxes which have been or may be assessed against the Companies under the act of Congress entitled "An act to provide revenue to defray war expenses, and for other purposes," approved October 3, 1917, or under any act in addition thereto or in amendment thereof, and all taxes which have been or may be assessed on property under construction, and all assessments which have been or may be made for public improvements, chargeable under the accounting rules of the Commission in force December 31, 1917, to investment in road and equipment, shall be paid by the Companies; but upon the amount thus chargeable to investment interest shall be paid to the Company during Federal control at the rate provided in paragraph (d) of section 7 hereof. Taxes assessed during construction on additions, betterments, and road extensions made by the Companies with the approval or by order of the Director General during Federal control shall be considered a part of the cost of such additions, betterments, and extensions, and shall, under the provisions of paragraph (d) of section 7 hereof, bear interest as a part of such cost from the date of the completion of such additions, betterments, or extensions. Assessments for public improvements which do not become a part of the property taken over shall bear interest from the date of the payment of such assessment.

(b) If any tax or assessment which under this agreement is to be paid by the Companies is not paid by them when due, the same may be paid by the Director General and deducted from the next installment of compensation due under section 7 hereof. If any taxes prop-

erly chargeable to the Director General have been or shall be paid by the Companies, they shall be duly reimbursed therefor.

(c) The Director General shall either pay out of revenues derived from railway operation during the period of Federal control or shall save the Companies harmless from all taxes lawfully assessed under Federal or any other governmental authority for any part of said period on the property under such control, or on the right to operate as a carrier, or on the revenues derived from operation, and all other taxes which under the accounting rules of the Commission in force December 31, 1917, are properly chargeable to "railway tax accruals," except the taxes and assessments for which provision is made in paragraph (a) of this section. The Director General shall pay or save the Companies harmless from the expense of all suits respecting the classes of taxes payable by him under this agreement.

(d) If any such tax is for a period which began before January 1, 1918, or continues beyond the period of Federal control, such portion of such tax as may be apportionable to the period of Federal control shall be paid by the Director General, and the remainder shall be paid by the Companies.

(e) Whenever a period for which a tax is assessed can not be definitely determined, so much of such tax as is payable in any calendar year shall be treated as assessed for such year.

SECTION 7.—COMPENSATION.

SEC. 7. (a) The annual compensation guaranteed to the Companies under section 1 of the Federal control act shall be the sum of _____ dollars and _____ cents (\$_____) during each year and pro rata for each fractional part of a year of Federal control, subject, however, to any increase or decrease in the standard return hereafter made by the Commission as provided in paragraph (d) of the preamble of this agreement.

Compensation paid by the Director General under this agreement, including that provided for in paragraph (d) _____ of this section, or arising from any other source, shall be paid to the Company; and the Company, after retaining such part thereof as it may be entitled to retain, shall distribute the remainder to the parties entitled thereto.

(b) The said compensation shall be paid to the Company quarterly in equal installments on the last days of March, June, September, and December of each year for the quarter ending therewith, except that the first three installments shall be due as of March 31, 1918, June 30, 1918, and September 30, 1918, respectively, but shall be paid upon the execution of this agreement; but from each installment there may be deducted any amount then due by the Companies under paragraphs (a) and (d) of section 4 hereof, under paragraph (b) of

section 5 hereof, and under paragraph (b) of section 6 hereof, and all amounts required to reimburse the United States for the cost of additions and betterments made to the property of the Companies not justly chargeable to the United States, unless such matters are financed or otherwise taken care of by the Companies to the satisfaction of the Director General, and the Director General may apportion any such amounts to two or more subsequent installments: *Provided, however,* That said power to deduct amounts due or accruing under paragraph (b) of section 5 hereof and the cost of additions and betterments not justly chargeable to the United States shall not be so exercised as to prevent the Companies from paying out the sums reasonably required to support their corporate organizations, to keep up sinking funds for the Companies' debts required by contracts in force December 31, 1917, to pay their taxes, to pay rents and other amounts (not chargeable to capital account) properly payable by the Companies for leased or operated roads and properties, to pay interest which has heretofore been regularly paid by the Companies, and interest on loans issued during Federal control and approved by the Director General, nor shall such deduction be made in respect of additions and betterments which are for war purposes and not for the normal development of the Companies, nor in respect of road extensions, nor in respect of amounts due under paragraphs (a) and (d) of section 4 hereof, in cases where the current assets, including materials and supplies, of the Companies taken over by the Director General under the provisions of this agreement clearly exceed the current liabilities of the Companies paid or assumed by the Director General under said section. In the event of a difference as to the fact whether additions and betterments are for war purposes and not for the normal development of the Companies, or as to whether an addition is a road extension, the question may, on application of the Director General or the Company, be referred to and determined by the Commission.

The power provided in this paragraph to deduct the amount due by the Companies for the cost of additions and betterments not justly chargeable to the United States is further declared to be an emergency power, to be used by the Director General only when he finds that no other reasonable means is provided by the Companies to reimburse the United States, and, as contemplated by the President's proclamation and by the Federal control act, it will be the policy of the Director General to so use such power of deduction as not to interrupt unnecessarily the regular payment of dividends as made by the Companies during the test period.

Overdue installments of compensation, or balances thereof, provided for in this section shall bear interest from maturity at the rate

of five per cent per annum, except that if the Director General shall, prior to the execution of this contract, have loaned the Companies any money, the installments of compensation overdue at the date of the execution hereof shall bear interest from maturity at the same rate as that charged to the Companies on such loans.

(c) During Federal control the Companies shall not, without the prior approval of the Director General, issue any bonds, notes, equipment trust certificates, stock, or other securities, or enter into any contracts (except contracts in respect of corporate affairs and property not taken under Federal control), or agree to pay interest on their debts at a higher rate, or for rent of leased roads and properties a larger amount, than the rates and amounts payable as of, or required by contracts in force on, December 31, 1917. The Companies may, however, procure the authentication and delivery to them under any mortgage or trust deed or agreement in force December 31, 1917, of bonds or notes issuable thereunder in respect of additions, betterments, extensions, and equipment, or for refunding purposes.

(d) Upon the cost of additions and betterments, less retirements in connection therewith, and upon the cost of road extensions, made to the property of the Companies during Federal control, the Director General shall, from the completion of the work, pay the Company a reasonable rate of interest, to be fixed by him on each occasion. In fixing such rate or rates he may take into account not merely the value of money but all pertinent facts and circumstances, whether the money used was derived from loans or otherwise, provided that to the extent that the money is advanced by the Director General or is obtained by the Companies from loans or from the proceeds of securities the rate or rates shall be the same as that charged by the Director General for loans to the Companies or to other companies of similar credit.

(e) From the compensation so received or from other income, if adequate for the purpose, the Companies shall make all payments of interest, rents (other than the equipment rents, joint facility rents, and rents classified as operating expenses mentioned in paragraph (j) of section 4 hereof), and other sums necessary to prevent a default under any mortgage or lease of any of the property described in paragraph (a) of section 2 hereof; and if at any time during Federal control the Companies, by virtue of any change in the right of possession (subject to the rights of the United States) to any of said property or otherwise, shall no longer be entitled as between themselves and any other person or corporation, not a party to this agreement, to receive the entire compensation herein provided, such compensation shall be apportioned and paid as between those entitled thereto, as justice and right may require.

SECTION 8.—CLAIMS FOR LOSSES ON ADDITIONS, ETC.

SEC. 8. (a) Prompt notice in writing, except as provided in paragraph (d) of this section, shall be given the Companies of the making or ordering of any additions, betterments, or road extensions, including terminals, motive power, cars, or other equipment to or for the property of the Companies costing more than one thousand dollars, with an estimate of the cost thereof. Such notice shall be given before the beginning of the work or the acquisition of the property whenever in the judgment of the Director General it is practicable to do so. Within a reasonable time after the completion of the work or the acquisition of the property, a written statement of the final cost thereof shall be given the Companies. There shall be furnished the Companies, as soon as practicable after the end of each month, a written statement of all expenditures estimated to cost one thousand dollars or less chargeable to investment in road and equipment made during the month, with a brief description of the work done or of the property acquired; and such statement shall constitute all the notice of additions and betterments costing one thousand dollars or less required by (b) and (c) of this section. The notices provided in this paragraph may be given to the president of the Company unless the Company designates some other officer to receive the same, in which event the notice shall be given to such other officer.

(b) Any claim of the Companies for loss accruing to them by reason of expenditures for additions and betterments made to their property during Federal control in connection with or as a part of the work of maintaining, repairing, and renewing the Companies' property and chargeable under the accounting rules of the Commission in force December 31, 1917, to investment in road and equipment, except such expenditures as are incurred in connection with the replacement of buildings and structures in new locations, may be determined by agreement between the Director General and the Companies, or, failing such agreement as to the fact or amount of such loss, the questions at issue may, upon the application of the Director General or the Companies at any time after the filing of the statement of claim hereinafter referred to, be ascertained in the manner provided in section 3 of the Federal control act: *Provided, however,* That no loss shall be claimed by the Companies and no money shall be due them in respect of such additions and betterments upon the ground that the actual cost thereof at the time of construction was greater than under other market and commercial conditions; and for the purpose of determining such controversy the amount paid for any addition or betterment shall be deemed the fair and reasonable cost thereof and shall be taken as the basis for such determina-

tion; nor unless the Companies, within sixty days of notice to them that the work will be done, shall give the Director General notice of objection thereto and shall file with the Director General a statement of claim within ninety days after notice of the completion of the work.

(c) Any claim of the Companies for loss accruing to them by reason of any additions and betterments which are not made in connection with or as a part of the work of maintaining, repairing, and renewing the Companies' property, or accruing to them in connection with maintenance in the replacement of buildings and structures in new locations, or by reason of road extensions, terminals, motive power, cars, or other equipment made to or provided for the property of the Companies during Federal control, may be determined by agreement between the Director General and the Companies, or failing such agreement as to the fact or amount of such loss, may, by proceedings instituted not later than six months after the end of Federal control, be ascertained in the manner provided in section 3 of the Federal control act: *Provided, however,* That no loss shall be claimed by the Companies and no money shall be due to them in respect of such additions, betterments, road extensions, terminals, motive power, cars, or other equipment mentioned in this paragraph upon the ground that the actual cost thereof at the time of construction or acquisition was greater than under other market and commercial conditions; and for the purpose of determining such controversy the amount paid for any additions, betterments, road extensions, terminals, motive power, cars, or other equipment shall be deemed the fair and reasonable cost thereof and shall be taken as the basis for such determination; nor unless within sixty days after notice to the Company of such construction or acquisition written notice is given to the Director General by the Company that a loss will be claimed in respect thereof. With and as a part of such notice the Company shall state the objections to such construction or acquisition as far as reasonably practicable at the time. Nothing in this agreement shall be construed as barring the United States from contending that no loss within the meaning of the Federal control act accrued to the Companies by reason of any additions, betterments, or road extensions made during Federal control by order or approval of the Director General, if it is made to appear that the Companies themselves but for Federal control should in the exercise of sound judgment have made such addition, betterment, or road extension.

(d) Where additions, betterments, or road extensions or terminals, motive power, cars, or other equipment have been made to or provided for the property of the Companies during Federal control but

prior to the execution of this agreement, the Director General shall not be required to give the notice thereof provided for in paragraph (a) of this section and notice by the Company of any claim of loss in respect thereto may be given the Director General within ninety days after the execution hereof; and such claims shall thereafter be proceeded with in the manner provided in paragraph (b) or paragraph (c) of this section, as the case may be.

(e) The Director General shall reimburse the Companies for the amount of loss ascertained under this section with a proper adjustment of interest thereon.

(f) The Director General shall not acquire any motive power, cars, or other equipment at the expense, or on the credit, of the Companies in excess of what in his judgment is necessary, in addition to their then existing equipment, to provide for the traffic requirements of their own systems of transportation; but this provision shall not prevent the Director General, after the acquisition of such equipment, from using the same, or any part thereof, on the line of any other transportation system operated by him.

SECTION 9.—FINAL ACCOUNTING.

SEC. 9. (a) At the end of Federal control all the property described in paragraph (a) of section 2 hereof shall be returned to the Companies, together with all repairs, renewals, additions, betterments, replacements, and road extensions thereto which have been made during Federal control, except as any part thereof may have been destroyed or retired and not replaced, in which case the provisions of section 5 hereof shall govern and except that the Director General shall not be obliged to restore or replace property destroyed or damaged by the acts of public enemies.

(b) At the end of Federal control the Director General shall return to the Companies all uncollected accounts received by him from them and also materials and supplies equal in quantity, quality, and relative usefulness to that of the materials and supplies which he received, and to the extent that the Director General does not return such materials and supplies he shall account for the same at prices prevailing at the end of Federal control. To the extent that the Companies receive materials and supplies in excess of those delivered by them to the Director General they shall account for the same at the prices prevailing at the end of Federal control and the balance shall be adjusted in cash.

(c) The total amount of the account "Net balance receivable from agents and conductors" at the end of Federal control may be turned over by the Director General to the Company. He may also turn over all assets which have accrued out of operation; and the Company

shall, to the extent of the cash received or realized from such assets, pay and charge to the Director General all expenses arising out of railway operations during Federal control, including reparation and other claims, and may, unless objection is made by the Director General, pay and charge to him any such expenses, including reparation and other claims, in excess of the cash so received or realized. On the first day of the third month following the termination of Federal control an accounting between the parties shall be had, and so on the first of each third month thereafter. Any balance found due either party shall be payable as of the date on which the account is stated and shall bear interest until paid.

(d) At the end of Federal control there shall be paid to the Companies any balance then remaining unpaid of the cash received from them at the beginning of or during Federal control, together with any unpaid interest which may have accrued upon the same. There shall also be paid to the Companies any funds created under the provisions of this agreement except to the extent that such funds may have been properly used under this agreement.

(e) Wherever under any provision of this section there is to be an adjustment of interest, it shall be at the rate of five per cent per annum, unless the parties shall in any case agree on a different rate.

(f) After Federal control no claim by or against the Director General shall be settled by the Companies against the written objection of the Director General or the Attorney General of the United States. The conduct of all litigation before any court or commission arising out of such disputed claims or out of operations during Federal control shall be in charge of the Companies' legal force and the expense thereof shall be paid by the Companies; but the Director General or the Attorney General may, at the expense of the United States, employ special counsel in connection with any such litigation.

EXECUTION.

[Short Line Form.]

**AGREEMENT BETWEEN THE DIRECTOR GENERAL OF RAILROADS
AND THE ----- COMPANY.**

AGREEMENT.

This Agreement made this ----- day of -----, 1918, between William G. McAdoo, Director General of Railroads (hereinafter called the Director General), acting on behalf of the United States and the President, under the powers conferred on him by the proclamation of the President, hereinafter referred to, and the ----- Company, a corporation duly organized under the laws of the State(s) of ----- (hereinafter called the Company):

Witnesseth that—

(a) WHEREAS by a Proclamation dated December 26, 1917, the President, acting under the powers conferred on him by the Constitution and Laws of the United States, by virtue of the joint resolutions of the Senate and House of Representatives bearing date April 6 and December 7, 1917, respectively, and particularly by virtue of Section 1 of the Act of Congress approved August 29, 1916, entitled "An Act making appropriations for the support of the Army for the fiscal year ending June 30, 1917, and for other purposes," took possession of and assumed control at 12 o'clock noon on December 28, 1917, for war purposes of certain railroads constituting a system or systems of transportation (not including the railroad of the Company described herein), and appointed William G. McAdoo Director General of Railroads; and

(b) WHEREAS the Act of Congress called herein the Federal Control Act, approved by the President March 21, 1918, brought under Federal control the railroad hereinafter described under the following provision. "That every railroad not owned, controlled, or operated by another carrier company, and which has heretofore competed for traffic with a railroad or railroads of which the President has taken the possession, use, and control, or which connects with such railroads and is engaged as a common carrier in general transportation, shall be held and considered as within 'Federal control,' as herein

defined, and necessary for the prosecution of the war, and shall be entitled to the benefits of all the provisions of this Act"; and

(c) WHEREAS by Proclamation, dated March 29, 1918, the President, pursuant to said Federal Control Act authorized the said William G. McAdoo, as Director General, either personally or through such divisions, agencies, or persons as he may appoint, and in his own name or in the name of such divisions, agencies, or persons, or in the name of the President, to make with the carriers, or any of them, such agreements as may be necessary and expedient respecting any matter concerning which it may be necessary or expedient to deal and to make any and all contracts, agreements or obligations necessary or expedient in connection with the Federal control of such railroads as fully in all respects as the President might do:

NOW, THEREFORE, the parties hereto, each in consideration of the agreements of the other herein contained, do hereby covenant and agree to and with each other as follows:

SECTION 1. (a) This agreement shall be binding upon the United States, the Director General, and his successors, and upon the Company, its successors and assigns, -----.

This agreement shall not be construed as creating any right, claim, privilege, or benefit against either party hereto in favor of any State or any subdivision thereof, or of any individual or corporation other than the parties hereto.

(b) Wherever in this agreement the words Director General are used, they shall be understood as designating William G. McAdoo, or such other person as the President may from time to time appoint to exercise the powers conferred on him by law with relation to Federal control.

SECTION 2. The Company's said railroad affected by this agreement shall be considered as including the following roads and properties:

SECTION 3. (a) The Company accepts the terms and conditions of said Federal Control Act and the terms of this agreement, and expressly accepts the covenants and obligations of the Director General in this agreement set out and the rights arising thereunder in full adjustment, settlement, satisfaction, and discharge of any and all claims and rights, at law or in equity, which it now has or hereafter can have against the United States, the President, the Director General, or any agent or agency thereof by virtue of anything done or omitted, pursuant to the acts of Congress herein referred to.

This is not intended to affect any claim said Company may have against the United States for carrying the mails or for other services rendered not pertaining to or based upon the Federal Control Act.

(b) The Company, on its own initiative or upon the request of the Director General, shall take all appropriate and necessary corporate action to carry out the obligations assumed by it in this agreement or lawfully imposed upon it by or pursuant to the Federal Control Act.

SECTION 4. It is expressly agreed and understood that the possession and use of the railroad property herein described subject to the right of the Director General to take the said property into actual possession as hereinafter provided, as a war emergency, shall remain in the Company, and the Company shall continue to operate the same, and all revenues accruing from the operation thereof shall belong to the Company, and all expenses arising out of or incident thereto, and all taxes of whatsoever character imposed thereon, or upon the Company shall be paid and borne by the Company, it being expressly agreed that unless and until the Director General shall as a war necessity take over the actual possession and operation of said railroad, he assumes no obligation for the payment of any expenses or charges in connection therewith, nor of any risk or accident in connection with the operation or control of said property.

SECTION 5. All rates, fares, and charges for transportation services performed jointly by the Company and any transportation system in the possession of, and operated by, the Director General shall be divided fairly between the Director General and the Company. It is agreed that the arbitraries and percentages of joint rates, both passenger and freight, received by the Company as of January 1, 1918, shall not be reduced, and whenever joint rates have been or shall be increased, the Company shall receive as its proportion of such increased joint rates amounts in the same ratio as its arbitraries or percentages bore to the joint rates before they were increased.

SECTION 6. The Company shall receive an equitable allotment of the cars (and, where feasible, motive power) in the possession or under the control of the Director General. For the equipment thus furnished it shall pay the per diem rentals now in effect or as they may be established from time to time by the Director General, and like rentals shall be paid by the Director General to the Company for any of the Company's equipment used by him: *Provided, however,* That there shall be a time or reclaim allowance to roads of 100 miles or less in length, of two days, which will be assumed by the delivering road.

SECTION 7. Such arrangements shall be made for the routing over the Company's line of competitive traffic as shall insure to the Company in any month the same proportion of such competitive traffic as it had of the total of such traffic for the average of the three years, counting the calendar years of 1915, 1916, and 1917, taking

into account both class and quantity of tonnage, it being understood and agreed that if in any month such proportion of competitive traffic delivered to the Company shall be less than that based on the average for the three-year period, the Director General will, within 60 days after the close of any such month, deliver such additional amount of competitive traffic as shall make up the required amount.

SECTION 8. If differences arise as to any matter arising under this contract, either party may refer the question to the Interstate Commerce Commission, and its decision shall be final and binding.

SECTION 9. The Company, so far as practicable, shall have the right to use the purchasing agencies of the Director General in the purchase of materials and supplies at the prices which the Director General shall pay therefor, and to have its repairs done in the shops of its connecting lines to the same extent and upon the same terms as were enjoyed before Federal control; where roads have heretofore not had the repairs done at the shops of the connecting line, but at private shops which have since been closed, they may have their repairs done at the shops of the connecting line upon fair terms.

SECTION 10. There shall be no discrimination against the Company in the matter of publishing tariffs and routing. In all publication of rates, tariffs, and routing, covering the territory in which the Company's road is situated, the Company shall be treated in the same manner as the trunk lines, except that nothing in this section shall be construed to require the establishment of joint rates where joint rates were not in effect at the commencement of Federal control.

SECTION 11. It is expressly agreed that if in the opinion of the Director General a necessity shall arise making it necessary or desirable for any purpose connected with the war, for the Director General to take into his own hands the possession, control, and operation of said railroad and the properties herein described, he shall have the right to do so. In such event this contract shall be terminated and a new contract made providing for the payment of compensation as provided by the Federal Control Act; and if in the meantime it becomes necessary in his opinion to issue any orders or directions to said Company affecting the movement of troops or war supplies, said Company shall obey such orders or directions.

SECTION 12. In view of the foregoing covenants and agreements, and subject thereto, the order of relinquishment issued on the ----- day of June, 1918, is hereby rescinded and set aside as of the date when the same was issued; and the said railroad and the properties herein described are hereby brought fully within the terms and under the control of the said Federal Control Act, the same in all respects as if the said order of relinquishment had not been issued.

SECTION 13. The Director General will formulate definite rules and regulations governing exchange transportation, which rules and regulations shall be made applicable to the Company without discrimination.

EXECUTION.

In witness whereof, these presents have, on the day and year first above written, been duly signed, sealed, and delivered by William G. McAdoo, Director General of Railroads, and duly signed, sealed, and delivered by the -----, by its President, and its corporate seal affixed hereto, attested by its Secretary, such execution and delivery on the part of said Company having been duly authorized and directed by vote of its Board of Directors at a meeting duly called and properly held on the ----- day of -----, 1918, which action of said Board of Directors was duly authorized by vote of the stockholders of the said Company, at a meeting duly called and properly held at ----- on -----, certificates of which meetings, duly attested by the Secretary of said Company, have been lodged with the Director General.

Director General of Railroads.

Rail----- Company.

By -----
President.

Attest:

Secretary.

**MEMORANDUM OF AGREEMENT BETWEEN WILLIAM G. McADOO,
DIRECTOR GENERAL OF RAILROADS, AND THE AMERICAN
RAILWAY EXPRESS COMPANY.**

This agreement, made this 26th day of June, 1918, between William G. McAdoo, Director General of Railroads, hereinafter called the Director General, acting on behalf of the United States and the President, under the powers conferred on him by proclamations of the President dated December 26, 1917, and March 29, 1918, and the American Railway Express Company, hereinafter referred to as the Express Company,

Witnesseth:

That for and in consideration of the mutual covenants, separate services, and payments hereinafter recited to be by the parties kept, performed, and made, the parties do hereby agree as follows:

I.

That in the interest of greater efficiency in express service and effecting economies in operating expenses of both the railroads under Federal control and the Express Company the Director General hereby employs the Express Company as the sole agent of the Government under the supervision of the Director General of Railroads to conduct the express transportation business upon all lines of railroad under Federal control and upon such other systems of transportation or parts thereof as in the judgment of the Director General it may be necessary or desirable to include.

II.

This contract shall take effect on July 1, 1918, and shall continue during the full period of Federal control as that period is limited by section 14 of "An Act to Provide for the Operation of Transportation Systems while under Federal Control, for the Just Compensation of Their Owners, and for Other Purposes," approved March 21, 1918.

III.

The express transportation business to be carried on under this contract is understood to mean such transportation business as is

commonly carried on by express companies at the present time, or as may be carried on by them during the continuance of this contract, and for the purpose of this contract it is agreed that the express business contemplated by this contract shall include all matter carried on passenger, express, or mail trains of the railroads, except baggage of passengers and theatrical scenery and belongings when checked on regular transportation, United States and railroad mail, including parcel-post matter, corpses when accompanied by some one in charge, news trunks and property necessary to carry on the usual news business, goods and material for the use of the railroads, and supplies for railroad eating houses and dining cars. The Director General as well as the Express Company shall have the right to carry on such trains freight from the Orient imported by Coast ports, newspapers, milk, and cream and returned empties: *Provided, however,* That nothing in this agreement shall prevent the Director General from transporting horses, carriages, or cattle or other classes of freight upon passenger trains when necessary in emergencies to avoid delay to freight shipments; and provided further, that no explosives, inflammable articles, or acids shall be considered express traffic except such as it may be lawful to transport on passenger trains when properly packed, marked, and certified to as required by the regulations of the Interstate Commerce Commission or other public authority for the transportation of explosives, by the rules of the American Railway Association, and such regulations for the transportation of inflammable articles and acids as may be fixed by the Director General. The maximum weight to be carried in any of the cars carrying express business shall not exceed a limit which in the judgment of the Director General is necessary for safety. Articles which can only be loaded and unloaded through end doors of express or baggage cars causing delays to passenger trains in switching for this purpose shall not be accepted by the Express Company unless a special car is furnished and charged for at the carload rate, and the Express Company shall not accept shipments which can not be so handled as to avoid unusual delays to the trains of the Government.

Said express transportation business shall be conducted under such rates, charges, classifications, regulations, and practices as are now or may hereafter be lawfully established. The Director General shall take all steps lawfully necessary to make any change in such rates, charges, classifications, regulations, and practices. The Express Company shall propose no reduction in rates or charges without the prior approval of such reduction by the Director General. The Express Company shall solicit no express shipments disapproved by the Director General.

IV.

The Director General shall furnish adequate and suitable space in cars properly equipped, heated, lighted, and lettered American Railway Express Company of the kind customarily furnished by railroad companies for the use of express companies on such passenger, mail and express trains as may be designated from time to time by the Director General over each of the lines of railroad covered by this contract for the transportation and proper handling en route of all express matter tendered by the Express Company at any station at which said trains make regular stops and shall carry such express matter and the safes, packing trunks, supplies, and equipment of the Express Company, together with the messengers, helpers, and guards of the Express Company necessary for the handling and protection of such express matter to destination or the proper transfer points on said railroads. The Director General shall, so far as it can conveniently be done without interfering with his business, permit the Express Company to use a portion of station buildings on the lines covered by this agreement without charge therefor for the reception, loading and unloading, safe-keeping, and delivery of express matter carried under this agreement. Where special services or facilities have been furnished upon payments by the express companies in addition to the percentage of gross earnings both parties hereto shall have the benefit of such arrangements until otherwise determined by the Director General or by the Express Company after notice and hearing. The movement of express shall be under the control of the Director General at all times and transported over such lines of railroad and on such trains as he may direct in the interest of economy in car service by utilizing available space and with proper regard for the necessity of prompt movement.

V.

Said Express Company shall use its teams, property, offices, and other facilities, and its agents and employees in operating an express transportation business on all the lines of railroad under Federal control, and upon such other systems of transportation, or parts thereof, as in the judgment of the Director General it may be necessary or desirable to include; and in the conduct of said business will exert itself in all proper ways to make said business satisfactory to the public and to the Director General. All contracts between the Express Company and railroads and systems of transportation not under Federal control shall be subject to the approval of the Director General.

VI.

The Express Company shall be liable for all loss or damage to the facilities furnished by the Director General to the Express Company for use in the express transportation business caused by the Express Company, its agents, or employees.

As between the Director General and the Express Company, the Express Company shall be liable for any and all claims on account of loss, damage, or delay to its own property or the property of others in its charge carried under the provisions of this contract, and it shall assume all risk of injury or death to its agents or employees while engaged in its business on any of the lines or premises covered by this contract; and shall indemnify and save harmless the Director General or any agent or employee of the Director General, including any railway company engaged in the operation of any railroad under Federal control covered by this contract, and the employees of any such company, against all claims, demands, suits, and actions whatsoever that may be begun against any of the same on account of any claim arising or growing out of the undertaking so above assumed whether in law or in equity or before any compensation board, tribunal, or court whatsoever; and any amounts paid hereunder shall be charged to operating expenses.

VII.

In any action at law or in equity or other proceeding brought against said Express Company before any compensation board, court, or other tribunal it will make no defense, except with the approval of the Director General, upon the ground that it is by virtue of this contract an instrumentality or agency of the Federal Government; nor will it seek to transfer to a Federal Court any such action brought against it in any state court upon the like ground except with the approval of the Director General. Any and all other legal rights of the Express Company except as above limited are expressly reserved.

VIII.

From the gross revenue earned on the transportation by the Express Company of all the express traffic on all lines under Federal control covered by this contract, under such rates, charges, and classifications as shall be in force, it shall pay to the Director General 50.25 per cent.

To the balance of the revenues thus remaining there shall be added the following:

Gross revenue derived from express transportation operations over any lines not under Federal control, less payments to such lines under contracts in force with them: all miscellaneous income derived from

express operations, including rentals, compensation received for the sales of money orders or other financial paper, charges assessed in addition to transportation charges, such as value charges, and income from money or securities invested in the dividend guaranty fund as described in paragraph 4 of this section. The resulting total shall be known as "Gross Contract Income."

From the gross contract income as here defined, the Express Company shall defray the operating expenses, rentals, taxes, except war taxes, and any other proper expenditures not disapproved by the Director General incurred in express operations, the remainder being termed "Contract Income for Division." The term "Operating expenses," as herein used, shall embrace all items prescribed by the Interstate Commerce Commission's classification of express accounts as operating expenses for express companies.

From the contract income for division, an amount equal to 5 per cent of the total par value of the outstanding capital stock of the Express Company shall first be set apart for the payment of dividends or general corporate purposes, herein termed "Primary Allowance," which shall be cumulative. Any excess of contract income for division over said primary allowance, up to 2 per cent of the par value of the capital stock of the Express Company, shall be divided one-half to the said Company to be set apart for dividends or general corporate purposes, and one-half to the Director General. The remainder to the extent necessary shall be paid into a guaranty fund, which fund shall not at any time exceed an amount equivalent to 10 per cent of the total par value of the outstanding capital stock. This fund shall be held by the Express Company to insure its ability to pay for each year during the life of this contract an amount equal to 5 per cent upon the total par value of its capital stock from July 1, 1918. Any earnings from such fund shall be considered as contract income for division.

If the contract income for division in any year shall not be equal to five per cent of the capital stock as herein provided, any amount lacking shall be withdrawn from said guaranty fund to supply such deficiency to the extent that said fund is sufficient for that purpose, and the said fund shall thereafter be restored from the contract income for division after deducting the five per cent primary allowances and the next two (2) per cent as hereinbefore provided, in the same manner as the fund was originally created. Provided, that should there not be a sufficient sum in said guaranty fund to furnish the amount necessary to pay said primary allowance at any time, the said deficiency shall be paid from said fund when there shall be sufficient money therein.

Any amount in said guaranty fund at the termination of this contract, or that may be due thereto and not required for the purpose

for which the fund was established, shall be divided between the Express Company and the Director General in the proportion of forty per cent to said Express Company and sixty per cent to the Director General.

After the accumulation of the guaranty fund, any contract income for division in excess of the said five per cent primary allowance and the said two (2) per cent hereinbefore provided shall be divided as follows:

The next three (3) per cent upon the total par value of said capital stock in the proportion of one-third to said company and two-thirds to the Director General; and any sum beyond that amount in proportion of one-fourth to said company and three-fourths to the Director General.

It is the understanding and agreement of the parties that the "contract income for division" is not the income or property of the Express Company but is a fund resulting from the terms of this agreement in which the Director General and the Express Company have a mutual interest. The Express Company has no right to any portion of this fund except that which it finally retains under the terms of this agreement and which is the compensation paid it by the Director General for the performance of its service as the agent of the Director General in the transaction of this express business. Only that portion of the fund belonging to the Express Company shall be included in the net income of the Express Company for taxation under titles 1 and 2 of an act entitled "An act to provide revenue to defray war expenses, and for other purposes," approved October 3, 1917, or any act in addition thereto or any amendment thereof or any supplements thereto. If the Express Company shall be required to pay said war taxes upon any part of the contract income for division belonging to the Director General, the Director General shall and does hereby indemnify and save harmless the Express Company against any payments that may hereafter be demanded of or imposed upon said Express Company on account of taxes that may be levied under titles 1 and 2 of said act upon that part of the said contract income for division paid or credited to the Director General hereunder.

The term "Revenues Earned," as used herein, is intended to mean the amount of revenue earned for the service performed, less any sums subsequently determined to be uncollectible.

IX.

The Express Company shall, within sixty (60) days after the end of each calendar month, pay to the Director General a sum of money equivalent as nearly as may be to the percentage of gross revenues earned in such month provided for in the first paragraph of Section

VIII; within sixty (60) days after June 30th and December 31st of each year, the Express Company shall render to the Director General a statement in such form and detail as he shall require, showing the gross revenues earned in said six (6) months' period ending with June 30th and December 31st, and within ten (10) days thereafter it shall pay to the Director General the balance, if any, due to the Director General under the first paragraph of Section VIII.

Within ninety (90) days after the end of each calendar year or the termination of Federal control said Express Company shall render to the Director General a statement in such form and detail as he shall require, showing the results of operation of said Express Company under this contract in a year, or part thereof, determined as hereinbefore provided, and within ten (10) days after the rendition of said statement, shall pay to the Director General whatever sum shall be due to him under this contract.

X.

The salaries paid by the Express Company to its officers shall be reasonable. All salaries in excess of \$10,000 a year shall be reported to the Director General. If he shall determine that any such salary is unreasonable and shall notify the Express Company in writing the maximum salary which he regards as reasonable, any amount in excess of such maximum salary so fixed which shall be paid to such officer for salary after the giving of such notice shall be excluded from any accounts of the Express Company used in determining the contract income for division.

XI.

The accounts of the Express Company shall be kept in form and manner prescribed by the Interstate Commerce Commission and the Government shall have the right to inspect such accounts at any and all reasonable times through its duly authorized agents: but the Express Company shall not be required to apportion its earnings among the various individual railroad lines and systems or to ascertain the earnings accruing on any individual railroad line under Federal control, and the Director General may from time to time require the Express Company to furnish such statistics or special statements as may be reasonably necessary in connection with the operations under this contract.

XII.

The Director General shall have the right to require the transportation without charge by the Express Company over any and all lines of railroad under Federal control of all packages of money,

valuable, papers, and shipments of materials and supplies ordinarily forwarded by express, used in the operation of any of the railroads under Federal control: *Provided, however,* That the Express Company shall not be liable for any loss or injury of said shipments so carried unless caused by the theft, dishonesty, or carelessness of the employees of the Express Company. When the Express Company and the railroad under Federal control employ the same agents, the receipt of the express messenger on the train for railway property shall constitute a delivery to the Express Company and the receipt of the party to whom the packages may be addressed or his representative shall constitute a delivery by the Express Company.

XIII.

The Director General will transport upon the passenger and express trains of the lines covered by this contract free of charge, on passes to be issued by the Director General or proper railway official on proper application therefor, the officers, agents, and employees of the Express Company when traveling in the interest of or upon the business of said Express Company. He will also transport free of charge upon the freight trains of the lines covered by this contract the equipment and materials of the Express Company required for use by it on the lines covered by this contract, but no hay, grain, or other feed stuffs shall be so transported for more than 500 miles. He will also transport free of charge equipment, stationery, and office supplies of the Express Company in cars or parts of cars set apart for the use of the Express Company. The Express Company assumes the risk of loss or damage resulting from all such transportation and agrees to indemnify and save harmless the Director General or any individual railroad under Federal control covered by this contract involved therein from all claims for loss or damages arising from such transportation.

XIV.

The Director General will transmit for the Express Company, free of charge, over all telegraph or telephone of individual railroads or railroad systems lines operated as a part of said lines of railroad under Federal control covered by this contract, all business messages relating to the express transportation business of such railroads or railroad systems to be conducted by said Express Company: *Provided, however,* That the Express Company releases and holds harmless the Director General or any Railroad Company from all liabilities arising from any error or delay in the transmission of such messages or from failure to forward and deliver the same.

XV.

The Director General may employ any of the employees of the Express Company upon such reasonable terms as shall be agreed upon between the parties, and the Express Company may employ such employees of the Director General or agents of the railroads, and upon such terms as may be agreed upon from time to time by the Director General and the Express Company. Where station agents of the Director General or of the railroad are employed by the Express Company, the Director General shall pay such agents the entire compensation for their services to the Director General, the railroads, and the Express Company, and no payment shall be made direct by the Express Company to any such agent whose services may be so furnished by the Director General. The Express Company shall pay to the Director General the usual commissions heretofore paid upon express transportation business at stations where such station agents are joint agents as its share of the agent's compensation.

Liability for personal injury or death of any joint employee, when it can be determined that such injury or death was sustained while the employee was engaged exclusively in express service, will be borne by the Express Company, and the Express Company will bear all costs and expenses incident to the settlement thereof. When it can be determined that such injury or death was sustained while the employee was engaged exclusively in railroad service, the Director General will bear all costs and expenses incident to the settlement thereof. Where the cause or causes of such injury or death can not be determined the Express Company and the Director General will bear the same in the proportion in which the wages paid by each bear to the total compensation, in which latter case no settlement shall be made by either party without the consent of the other.

XVI.

When cars other than the regular equipment assigned for express traffic are requested by the Express Company in order to carry shipments of an unusual character, and such cars are furnished by the Director General, said Express Company shall pay the expense of fitting up such cars for its use and of restoring the same to their normal conditions thereafter, the reasonable compensation therefor to be determined by the Director General.

XVII.

The Express Company will load and unload its express matter, or require the shippers and consignees to do so, upon or from all cars assigned regularly or specially to express transportation traffic.

XVIII.

All of the agents and employees of the Express Company while on the premises or on lines of railroad under Federal control covered by this contract shall at all times conform to the general rules in force thereon, and in case any messenger or other employee on any said line shall from any cause be objectionable to the Director General he shall be removed or discharged upon the written request of the Director General or of the Director General's principal operating representative on such line.

XIX.

The Director General shall allow the Express Company the usual mileage rates on all cars belonging to the Express Company and used in handling the business under this contract over the railroad lines operated and controlled by the Director General. The mileage compensation allowed by the Director General to the Express Company shall be considered a part of the gross contract income of the Express Company.

XX.

The Express Company will take over and continue the payment of pensions to former employees of the several express companies, which employees have heretofore been pensioned under their rules, but no such pension shall exceed One Hundred and Twenty-five (\$125.00) Dollars per month. The officers and employees of the several express companies who may be employed by the Express Company shall retain the same rights to pension from said new corporation as they have at the time of change in employment. The plan and pension rules of the Express Company shall be submitted to the Director General and if disapproved by him in any particular shall not become effective until so modified as to meet his approval; the sums paid on account of such pensions shall be charged to operating expenses.

XXI.

The Express Company will enter into a contract with the Express Companies parties to memorandum of agreement with the United States, dated _____, 1918, for the period of this contract as the agent of said Express Companies in their foreign business and for the handling of money orders and other financial paper, and for such other purposes as may be desired, unless in the judgment of the Director General the express transportation business conducted by said Express Company will be prejudiced thereby. The Express Company shall be paid by said Express Companies such compensation for its services as shall be agreed upon between the parties from

time to time as fair and reasonable, which compensation shall be considered as a part of the gross contract income of the Express Company. The Director General, however, may require said contract to be submitted to him for his approval, and no contract disapproved by him shall thereafter be effective between the parties.

XXII.

The Director General will perform all necessary switching service for cars in express service on the lines under Federal control covered by this contract, such as ordinary switching in connection with regular trains at stations which involves movement to and from the stations, and also to and from a track or siding assigned for the handling of express traffic and interchange of cars between railroads over which the Express Company operates, and cars loaded with live stock in transit to and from stockyards for feed, water, and rest, in compliance with the law and service necessary by reason of the failure of the railroads to make schedule connection. For unusual or extraordinary service rendered, such as special switching to and from industry tracks or occasioned by reconsignment of cars and service of like nature, the Express Company shall pay compensation at the rate or charge of the railroads made for similar services to other parties.

XXIII.

The Express Company agrees that the icing and refrigeration of cars in the service of the Express Company while on the lines covered by this contract shall be performed by the agency employed by the Director General for this purpose, the Director General agreeing that the charges for such service shall be reasonable.

XXIV.

No evidences of indebtedness except ordinary bank or commercial loans for current purposes shall be made or issued by the Express Company without the prior approval in writing of the Director General; nor shall any lien of any kind be placed by it upon any property of the new corporation without the prior approval in writing of the Director General. All loans shall be reported to the Director General as soon as made.

The stock issued by the Express Company shall be sufficient to pay at par for the property transferred to it and to provide the cash necessary for working capital. The initial issue of the stock of the Express Company shall not be made until such issue shall have been approved in writing by the Director General. From time to time thereafter as additional funds may be necessary to purchase addi-

tional property or reimburse the company for additional property purchased or for working capital, additional stock may be issued by the Express Company, but no issue shall be made without the approval in writing of the Director General.

XXV.

Either party to this contract may, after July 1, 1922, by not less than six months' notice in writing, to the other party, cancel this contract.

XXVI.

The Express Company agrees that it will at any time during the existence of this contract, upon terms to be agreed upon between the parties hereto, establish at such places as may be designated by the Director General, collection and delivery service for baggage and less than carload shipments of freight.

XXVII.

If during the operation under this contract the gross contract income hereunder for any contract year shall not be sufficient to pay the operating expense and taxes of the Express Company for such contract year, it is agreed that the amount of any such deficit shall be deducted from any payments due the Director General thereafter, as a further allowance by the Director General to the Express Company.

XXVIII.

Any controversy which may arise as to the performance of any part of this contract shall be submitted to and determined by the Interstate Commerce Commission after full hearing, and its decision thereon shall be final.

XXIX.

The term "capital stock" or "outstanding capital stock," as used herein, shall mean and include only stock issued by the Express Company upon the approval of the Director General and not canceled.

The term "Director General," as used herein, shall be taken to apply to any official or person who may now exercise the authority of the United States with respect to said lines of railroad under Federal control, or may hereafter, as the successor of the Director General, exercise such authority.

The word "railroad," as used herein, shall include all systems of transportation and appurtenances thereto under Federal control covered by this contract.

EXECUTION.

In witness whereof these presents in duplicate originals have, on the day and year first above written, been duly signed and delivered by William G. McAdoo, Director General of Railroads, and duly signed, sealed, and delivered by the American Railway Express Company, by George C. Taylor, its president, thereto duly authorized by a vote of the directors of the company at a meeting duly called and held on June 26, 1918, certificate of which authorization, duly attested by the company's secretary, is hereto attached.

WILLIAM G. McADOO,

Director General of Railroads.

By WALKER D. HINES,

Assistant Director General.

AMERICAN RAILWAY EXPRESS COMPANY,

By GEORGE C. TAYLOR,

Its President.

Attest:

F. P. SMALL,

Secretary.

CERTIFICATE OF APPROVAL BY BOARD OF DIRECTORS OF AMERICAN
RAILWAY EXPRESS COMPANY.

At a meeting of the board of directors of the American Railway Express Company, held at the office of the company at 65 Broadway, in the city of New York, on the 26th day of June, 1918, on motion duly made, seconded, and carried, it was

Resolved, That the attached draft of proposed contract between the Director General of Railroads and the American Railway Express Company, relating to the operation, compensation, and other matters connected with the express transportation business over the transportation systems under Federal control, be approved, and the President and Secretary be instructed to execute the same.

GEORGE C. TAYLOR.

Attest:

F. P. SMALL,

Secretary.

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PUBLIC ANNOUNCEMENTS.

PASSENGER TRAVEL.

JANUARY 5, 1918.

The Director General said:

An important change in the passenger train service on the eastern roads goes into effect Sunday, January 6. I have consented to this change because it is imperatively necessary that passenger travel shall be reduced as much as possible during the present serious emergency which confronts the people in the eastern section of the country. By elimination of unnecessary passenger train service, much motive power, skilled labor, track and terminal facilities are released for the handling of coal and food and other supplies essential to the life of the people as well as to the successful prosecution of the war. Every patriotic citizen can directly help the Government in clearing up the present unsatisfactory situation on the railroads by refraining from all unnecessary travel at this time.

The breakdown in passenger service of the various railroads in the East has not made a pleasant impression on the public, but it must be borne in mind that the railroad companies in the East are still seriously congested with an unusual amount of freight traffic, the movement of which is more vital to the country than the movement of passengers, and that the weather conditions for the past two weeks have seriously impeded railroad operations.

WAGE COMMISSION.

JANUARY 18, 1918.

Director General of Railroads McAdoo announced this afternoon the appointment of a Railroad Wage Commission to make a general investigation of the subject of railroad wages in the United States. The Director General named as members of the commission Franklin K. Lane, Secretary of the Interior; Charles C. McChord, member of the Interstate Commerce Commission; J. Harry Covington, chief justice of the Supreme Court of the District of Columbia; and William R. Willcox, of New York. The members of this commission are all men who have had experience in dealing with the problems referred to it.

Secretary Lane was for eight years a member of the Interstate Commerce Commission, and was also the chairman of the board, consisting of himself, the Secretary of Labor, Daniel Willard, and Samuel Gompers, which brought about the agreement between the railroads and the four railroad brotherhoods to accept the Adamson Law.

Commissioner McChord was formerly chairman of the Kentucky railroad commission. During his eight years of service as a member of the Interstate Commerce Commission he has been largely concerned with those regulatory laws which directly affect railroad employees, and during 1916 had charge of the car-shortage problems.

Judge Covington, prior to his appointment as a Federal judge in 1914, was a Member of Congress, serving on the Committee on Interstate and Foreign Commerce, the committee which considers all railway legislation in the House of Representatives. He was the President's personal representative last summer on a mission to the Pacific Coast States in connection with labor troubles existing there.

Mr. Wilcox is the present chairman of the Republican national committee. After serving as postmaster of New York City, he was appointed by Gov. Hughes chairman of the New York public service commission for the first district, and served upon that body for six years.

The commission has been appointed with a view to determining the wages for the different classes of labor upon the railroads. It will begin its work at once, and will report to the Director General, giving its recommendations in general terms as to changes that should be made. Upon this report the Director General will make a decision.

In dealing with such a complex problem as railroad wages, the powers of the commission must be very broad if it is to report a satisfactory result. It is authorized to make a general investigation of the whole field of railroad labor, the compensation of persons in the service of the railroads, the relation of the railroad wages to wages in other industries, the conditions in different parts of the country, the special emergency respecting wages to wages which exist at this time owing to war conditions, and the high cost of living, and the relation between the different classes of railroad labor.

The creation of this commission is the culmination of a large number of complaints and demands of employees which have been pending before the railroad managers for some time past. These complaints and demands were brought to the attention of the Director General shortly after the assumption of the operation of the railroads by the Government. They came in all forms, from various groups of unorganized employees of the railroads.

President Wilson sent the following letter to each member of the commission:

May I not assure you of my appreciation of your acceptance of the invitation extended to you by the Director General of Railroads to serve as a member of the more important commission he has appointed to inquire into the question of wages of railroad employees in the United States?

With warm regard,

Cordially and sincerely yours,

WOODROW WILSON.

DUTIES OF REGIONAL DIRECTORS.

FEBRUARY 4, 1918.

DEAR SIRS: The following is an outline of the functions of the Regional Directors. I shall be glad if you will bring to my attention from time to time any points which are not clear to you or which you think call for modification or extension.

Broadly speaking, I wish to give you power to direct railroad operations in your territory so as to handle traffic with the least congestion, the highest efficiency, and the greatest expedition. As far as is consistent with these objects you will, of course, keep down operating expenses.

I have put responsibility upon you for the entire operating situation. I mention the following simply as few illustrations of the matters which are thus intrusted to you:

You should see that terminals are used to the best advantage and that such changes in established practices are made as will bring this about.

Where minor capital expenditures are needed to establish new connections for the better use of terminals, you will endeavor to get some or all of the interested companies, by their voluntary action, to arrange therefor, and will refer to me cases of expenditures which can not be so arranged.

You will order such changes in routing of traffic, using any lines or parts of lines in combination as will avoid uneconomical routes and congestion of particular terminals or railroads, giving due consideration to shippers' interests.

The Commission on Car Service has been replaced by the Car Service Section of the Division of Transportation (the personnel remaining largely the same). The Car Service Section—

(a) Will have charge of all matters pertaining to car service, including the relocation of freight cars as between individual railroad and regions.

(b) Will issue instructions through the Regional Director providing, on application of proper governmental authorities, for preference in car supply and movement.

(c) Will receive from railroads such reports, periodical or special, as it may require in order to keep fully informed with respect to car service, embargo or transportation conditions.

(d) Must be promptly informed of all embargoes placed, modified or removed, and will, from time to time, recommend such embargo policies and exemptions as the needs of the Government, seasonal requirements, or other circumstances may demand.

(e) Will deal directly with railroads with respect to matters within its jurisdiction, and will keep the Regional Directors advised of all instructions or orders in which they are concerned.

You will keep fully advised as to the situation concerning the use of locomotives, repairs to locomotives, amount of shop capacity, and amount of shop labor available for locomotive repairs. You will have power to promote the general good of the transportation situation in your region by making transfers of locomotives from one railroad to another or of locomotives needing repairs from one shop to another and transfer of shop labor from one shop to another. Such transfers, should, of course, have reference to any agreements between labor and the company affected and be made with just regard to the welfare and rights of employees. You will, of course, have like duty and power respecting car repairs.

As to labor, you have been advised of the appointment of the Railroad Wage Commission. The general policy as to all labor is that there shall be no interruption of work because of any contro-wages and living conditions will have the consideration of the Railroad Wage Commission.

Pending action by me upon the report of that commission there ought not to be any radical change in existing practices without submitting the matter to me for approval. But it should be understood that the usual methods of settling by agreement ordinary grievances and complaints shall continue as heretofore and that the companies are free to negotiate as heretofore with their employees and are expected to observe faithfully existing agreements with their employees. In cases of doubt about new negotiations with employees, the advice of the Director General should be sought.

You should bear in mind that labor has the very natural feeling that railroad managers, although now working for the Government and on Government account, necessarily continue the same conception of and attitude toward labor problems that they had when acting under private management. I am told that labor will have a natural suspicion that any unfavorable action taken by railroad managers indicates a purpose on their part to make governmental control a failure and to use it for promotion or vindication of their own theories.

For these reasons, great care should be taken to avoid anything having even the appearance of arbitrary action, and it will be expedient, at least at the outset and until the matter shall take more definite shape, not to dispose, unless by mutual agreement, of any

labor claims involving large questions of policy without first submitting the matter to me.

In the central organization in Washington I propose to have a labor man as a member of my staff who will give his special attention to labor problems, not only to the problems of wages and conditions but also to the problem of aiding the railroads in obtaining sufficient labor and of bringing about a better understanding between officers and employees. The morale and esprit de corps of officers and men should be brought to the highest standards.

There are several matters involving broad questions of public policy concerning which I wish you to make careful studies and report to me with your recommendations.

1. To what extent if at all should additional passenger service be discontinued in order to save coal, labor, locomotives, and shop capacity for freight service. In arriving at any recommendations on this matter it is very important to give due consideration to public convenience. It is quite probable that I shall wish to take the matter up informally with State railroad commissions as to any reductions in service which you think should be made. In dealing with such matters the local point of view must be considered and the State commissions afford a useful instrumentality for obtaining this point of view, and also, to the extent that we can act in harmony with the commission's views, for satisfying local public sentiment as to what is done. So far the State commissions have evinced a commendable spirit of cooperation.

2. I wish you also to make careful study of the extent to which (a) freight solicitation should be discontinued or diminished and freight and passenger agencies, freight officers, ticket offices, etc., discontinued or consolidated; (b) the extent to which traffic officials, soliciting or otherwise, should be transferred to other service and to what other service they should be assigned; and (c) extent to which, if at all, any portion of these forces should be released from service.

3. I wish you also to make a study of (a) the extent to which duplications of service can be avoided, both passenger and freight; (b) extent to which fast freight service can be discontinued or slowed down; (c) extent to which less-than-carload service can be consolidated or diminished; at all times having reasonable consideration for the public convenience.

4. I would like to have your views as to the extent to which the making of purchases can be unified either for the entire country, or for the separate regions, or for parts thereof, accompanying it with a statement of the advantages which you think would result from such unification.

5. The extent to which standardization may be effected in your region on the railroads in your territory (a) with respect to locomotives—the various types which will be required to effect the best

standardization; (b) freight cars, open and box cars, and the various types which will be best adapted for use in your territory.

Your recommendations should be made in reference to the adoption to the same standards throughout the United States except in so far as local conditions can make specific types or designs desirable to meet the peculiarities of such local conditions.

6. In general, I shall be glad to have you make a study of the extent to which various classes of operating expenses can be curtailed or eliminated on account of present conditions of Government possession and control. Of course, you understand that by virtue of General Order No. 6 it will be necessary for local associations to make applications for the Director General's approval if it is desired that they continue to be supported out of operating revenues. If any such applications are made to you, I shall be glad to have your recommendations in regard thereto, being guided by the principle that no functions should be carried on by associations whose expenses are chargeable against operating revenues except such functions as are reasonably necessary under the existing condition of Government possession and control, and that only the expense appropriate to such functions should be paid out of operating revenues.

On all these matters I shall appreciate your specific recommendations at the earliest practicable date.

In dealing with this whole subject it is, of course, important for you to view the matter, and to get the various railroad executives of railroads in your jurisdiction to view the matter, from the entirely new standpoint that all the railroads now constitute a single system to be operated so as to secure the maximum of transportation with the minimum of waste, and that the fact that a readjustment will mean that a particular railroad will lose certain sorts of traffic must be disregarded as it is not sufficient reason why the readjustment should not be made, if in other respects it is in the public interest.

Certain general matters are having consideration here and somewhat later will probably be taken up with you. Examples of these matters are additions and betterments, what equipment not already ordered needs to be provided. I shall be greatly interested in any suggestions which you can make to me on these matters at the present time and from time to time.

You will of course have the right to continue or discontinue or create such local committees or representatives as you think proper to insure the best results at particular terminals or in particular subdivisions of your territory. Doubtless at many important terminals you will find it advantageous to select some exceptionally able, aggressive, and tactful railroad representative to take charge of the terminal and to coordinate with the railroad activities, the activities of merchants, coal dealers, truckmen, etc., so as to secure the best possible results in the loading and unloading of cars.

I take it that your communications to the railroads in your region should be to the respective presidents, receivers, or other chief operating officers with such modifications of that practice as you may think advisable, arranging, however, in case of such modifications, that the president, receiver, or other chief operating officer fully understands the practice which you pursue.

Pending the further shaping of the work, there are various general subjects which you should refer to this office and in all such cases I shall appreciate your suggestions or recommendations. Among such subjects are financial problems and legal problems.

I wish to emphasize that I do not consider it expedient for the Regional Directors to undertake to establish without my approval, policies of a public character, i. e., policies which substantially affect the character of service rendered the public or the rights of the public.

Substantial reduction of passenger service is an example of this character. It is impracticable to define these matters clearly, but practical definition will evolve gradually as cases arise. Meanwhile doubtful questions should be submitted to me.

The controlling principle is that the Government being now in possession and control, it is important for the Director General, as the direct representative of the Government, to have a voice in deciding matters which primarily affect the public, because we can not expect that the public will be entirely satisfied to have these matters settled by the railroad managers, which in the public estimation will still be regarded as imbued with the attitude of private management, no matter how disinterestedly those managers may be endeavoring to represent the public interest and nothing else.

Generally speaking, you will develop your organization as you think necessary, but it seems to me that in any event you will need a competent traffic representative who should be selected with the concurrence of Mr. Edward Chambers, who will be in charge of the Division of Traffic with headquarters at Washington. I think you had better treat your organization as tentative until you have submitted the organization plan to me, as I may, upon consideration of tentative plan, wish to make some suggestion upon the subject.

Very sincerely yours,

(Signed) W. G. McAdoo,
Director General of Railroads.

- A. H. SMITH, Esq.,
Regional Director, New York, N. Y.
- R. H. AISHTON, Esq.,
Regional Director, Chicago, Ill.
- C. H. MARKHAM, Esq.,
Regional Director, Atlanta, Ga.

GENERAL SUMMARY OF WEATHER OVER THE DISTRICTS OF THE UNITED STATES TO EASTWARD OF THE MISSISSIPPI RIVER DURING THE WINTER 1917-18 TO DATE.

FEBRUARY 6, 1918.

Cool weather set in much earlier than usual over the eastern portion of the country, September, on the whole, averaging several degrees lower than the normal, while October was cold throughout nearly the entire month, almost winter conditions prevailing throughout the regions from the Ohio Valley northward to Canada. There was some improvement during November as to temperature, although over much of the territory from the Mississippi River eastward the month was several degrees cooler than normal.

There was a general absence of severe storms in November; in fact, the month was decidedly dry and there was much less than the normal of snowfall. As a result, outdoor work of all kinds was possible to an unusual degree and under most favorable conditions.

Early in December marked cold weather overspread all eastern districts of the United States, and, save for occasional breaks, the cold was continuous throughout the month. The latter part of the month was particularly cold over the more eastern and northeastern districts, the temperature falling to 40° below zero or lower over the northern portions of New York and New England, and the month, as a whole, was among the coldest during the past 50 years.

There was little snow on the ground at the beginning of December, but near the end of the first decade heavy falls occurred from the lower Ohio Valley northeastward to New England and generally in the Lake region, the depths in immediate Ohio Valley ranging from 8 to 14 inches, while at points in the upper Lakes region the depths were nearly twice as great.

Toward the end of the second decade additional snow fell over the Appalachian Mountains and to the eastward, at which time all central and northern districts from the Mississippi River eastward were snow-bound, the depths ranging from 6 to 10 inches from the Ohio Valley eastward nearly to the coast, while farther north the depths were from 10 to 20 inches or more, and so badly drifted as to interfere materially with traffic.

A moderation in the cold during the early part of the third decade of December caused most of the snow in the Ohio Valley districts to

disappear, and there was a substantial reduction in the depth over the Appalachian Mountains and to the eastward.

For December, as a whole, the snowfall was unusually heavy in the Ohio Valley and in most districts to the northeastward. In some sections of this area it was from two to four times greater than the normal, being at many points the heaviest experienced since reliable records have been kept—a period of about 30 years—and in some localities more snow fell in December than usually occurs during the entire winter. As far south as northern Tennessee the monthly totals ranged from 15 to 23 inches.

The latter part of December was cold, but without material snowfall, but early in January moderate falls occurred from the Mississippi Valley eastward, and again about the 7th heavy snows occurred from the middle Mississippi Valley northeastward to the Lakes, the falls in portions of central Illinois and around the southern end of Lake Michigan ranging from 8 inches to nearly 2 feet. High winds accompanied the snow and much drifting resulted, which greatly interfered with traffic. During the early part of the second decade of January, additional snow occurred over wide areas, and at the middle of the month the greater part of the country was snow covered. In the Ohio Valley and Lakes region the fall was again heavy, and the depth of the snow cover ranged from 10 to 15 inches or more.

Throughout January, unusually cold weather continued over all districts from the Mississippi Valley eastward, but particularly in the central and southern districts, where the average temperature ranged from 10° to 14° below the normal.

The total snowfall for January, 1918, like that of the preceding month, was much heavier than usual in the central districts from the Mississippi River eastward. The falls were particularly heavy around the southern end of Lake Michigan and thence southward to and over the southern tributaries of the Ohio. In the great mining sections from southwestern Virginia northeastward to Pennsylvania and thence westward to Missouri and Arkansas the total snowfall for the month ranged from 1 to 2 feet or more, and in the vicinity of Chicago the totals were from 3 to nearly 5 feet. At times during the month heavy winds drifted the snow badly. From the Mississippi Valley eastward the total snowfall for January, 1918, was unusually heavy, being in most cases from two to four times as much as is usually received during that month.

For the period December 1, 1917, to January 31, 1918, the average temperature over the districts from the Mississippi Valley eastward has been among the lowest of record for an equal period of time in the past 50 years.

In this connection it is interesting to note that in the far western districts of the United States the weather during the winter so far

has been unusually mild and there has been little snow; in fact, the lack of precipitation in parts of California had already produced serious results, and absence of any material accumulated snowfall in the mountains is causing serious concern for the agricultural outlook during the crop-growing season.

ORGANIZATION OF FINANCE SECTION.

MARCH 7, 1918.

Director General McAdoo has approved the following plan submitted by the director of the Division of Finance and Purchases for the organization of that division, substantially as follows:

FINANCE SECTION.

The director of the division will be assisted in the work of investigating and providing plans to meet the financial requirements of the railroads throughout the country, whether these needs relate to the taking up and renewal of maturing obligations and the issuance of new securities, or providing for betterments and additions, by an advisory committee of three men, experienced in finance, who will be selected, one from the North, one from the West, and one from the South. These men, whose names will be announced later, will serve the Government without compensation, and will have offices in Washington.

The gross earnings from operations of the railroads of the country for the calendar year 1917 amounted to something over \$4,000,000,000, but the requirements for new capital, outside of revenue from earnings, for new equipment, betterments, and additions, have usually called for from \$250,000,000 to \$750,000,000 per annum, according to the activity of business and the condition of the money market.

PURCHASING SECTION.

In the matter of purchases for the railroads, which will amount to between \$1,000,000,000 and \$2,000,000,000 per annum, the director of the division will be assisted by an advisory committee of three, which will be composed of the general purchasing agents or vice presidents in charge of purchases of three leading railroad systems, who will be detailed to Washington for this work, under the supervision of the director of the division.

There will also be constituted three additional committees; these committees to be composed of three or more general purchasing agents, or men experienced in this work, to be known as the regional purchasing committees, with headquarters in New York, Chicago, and Atlanta, in touch with the regional directors of these three districts.

All purchases of locomotives, passenger, freight, and other cars, and steel rails will be made directly through the office of the director of purchases.

Fuel.—In the New England territory fuel purchases will be made by a special committee appointed by the regional director, under the direction of the Washington office. In other sections, each railroad will be expected to handle its requirements, under the immediate direction of the respective regional purchasing committees, either collectively with other companies, or separately, as may be directed by that committee. The details of all contracts already made and of all other contracts as made will be scrutinized and checked by the regional purchasing committees, which will act under the general direction of the central committee.

Crossties and lumber.—Crossties and lumber which can be obtained along the lines of the respective roads will be negotiated for and purchased through the purchasing department of each road, under the supervision of the regional purchasing committees. Crossties needed by the various roads which can not be obtained on their own lines will be purchased through the Washington office.

All other supplies needed for current operations will be purchased, for the time being, through the purchasing departments of the respective roads, but all contracts for periods of six months or longer must be approved by the regional committees before completion.

Information as to the prices paid for all supplies will be furnished monthly by all roads to the regional purchasing committees, so that the prices paid by each road for all articles may be carefully compared and checked, both as to prices, standards, qualities, and places of delivery.

The regional purchasing committees will address themselves as soon as possible to consideration of the opportunities for standardizing and consolidating purchases of every kind that may admit of such treatment, with a view to increasing efficiency and economy.

The regional purchasing committees will submit to one another and to Washington, as information and for criticism, full statistics as to cost prices of materials used in railroad operations, and these prices will be carefully compared and checked.

The names of the advisory committee in the Section of Finance, and of the advisory committee in the Section of Purchases, and the names of the three regional committees will be announced in a few days.

UNIVERSAL INTERLINE BILLING.

MARCH 19, 1918.

Director General McAdoo to-day issued an order establishing universal interline billing between all railroads subject to Government

control. This order also contemplates a simplified distribution of revenues, and the effect will be a reduction of expense and greater convenience in the waybilling and handling of traffic and also in the accounting department.

Ordinarily freight in passing from one line to another is waybilled to the junction point and rewaybilled at the junction point.

The division of the through rate often involves arbitrariness, and is more or less complicated. The making of these divisions and the subsequent checking of them to exactness involves a great deal of labor and accounting.

The interline waybill is issued at the point of origin and accompanies the shipment to destination, no matter how many carriers are involved. This saves time in the movement of the traffic itself.

It is also proposed to simplify the matter of divisions so that most of the accounting work which now attaches to the making of these divisions will be avoided.

This is a reform which has been long under discussion by carriers, but which could not be established under independent control.

CONSOLIDATIONS.

APRIL 9, 1918.

Director General McAdoo has issued the following instructions to the Regional Directors:

1. Discontinue the separate city freight or passenger offices where the public may be adequately served at the depot. This applies particularly to the smaller cities.
2. Consolidate or group all city ticket offices, placing the union office in convenient location where rental is reasonable, providing sufficient space to properly accommodate the public.
3. Cancel all arrangements with tourist or other similar agencies for solicitations of passenger traffic or sale of tickets.
4. Discontinue all off-line traffic offices.
5. Employees released as result of above to be assigned to other duties to the extent possible. Some now employed in off-line offices will be needed by local line to strengthen its traffic forces in order to properly care for the additional work which will result from the above changes.

The functions and services formerly performed by the off-line offices in protecting the needs of the public will be incorporated in the offices of the initial lines.

Separate off-line traffic offices were created by the various transportation interests on account of existing keen competition for passenger and freight traffic, and were primarily headquarters for soliciting agents who were stationed in all commercial districts for the purpose of protecting the interests of the carrier by whom they were employed. Now there is no competition, which eliminates need for solicitation by the individual carriers. The policy is one of efficiency with all possible retrenchment and economy consistent with protecting the best interests of the public.

The employees released from their present duties as a result of this are to be assigned to other duties, as far as possible, with the same road. Some now employed in off-line offices will be needed by local lines to strengthen other traffic forces to properly take care of the additional work entailed upon the initial lines account of this change. In making this readjustment, it is intended to work as little hardship as possible upon the employees concerned. Many of these men have been in the service of their respective lines for long periods, and their railroad insurance and pension rights will be protected.

No community will be deprived of adequate sources of information and advice as to matters connected with passenger and freight service. It will be necessary for the lines directly serving each locality to see that their offices are manned and equipped to furnish the needed information and advice. This to include the issuance of through bills of lading, quotation of rates, passenger reports of cars en route, advice to prospective passengers, and all other necessary information heretofore furnished by the off-line offices.

LAKE LINE SERVICE.

APRIL 18, 1918.

Director General McAdoo to-day established a lake line service between Chicago and Milwaukee in order to relieve the car situation as much as possible. Cars that have been held up on western railroads by the congestion on central railroads will be immediately released with the opening of lake navigation and the loads moved east by the way of lake and railroad lines east of Buffalo, thereby releasing equipment to the western railroads for use in their territory and relieving the railroads in the central freight territory of the saving of power, fuel, and cars that can be devoted to other business.

Shippers of heavy staple commodities from the east, such as sugar, coffee, and manufactured articles, will take advantage of this service as it will be of a steady and regular movement. There will be assigned to this lake line service seven large modern, electric-lighted steamships, and it is intended to work day and night shifts at the terminal points so that the ships can be turned rapidly and afford the greatest possible relief to the railroads.

It will be known as the Lehigh Valley Transportation Co. and will serve all eastern trunk lines over a common terminal at Buffalo. Two of the ships assigned were owned by the Lehigh Valley Railroad, and the other five were chartered from the Great Lakes Transit Corporation. Additional ships will be added as the service requires. All rail rates will prevail in both directions, so that in case of congestion on the railroads the freight can be immediately diverted to the lake and given continuous movement to destination; the rates include marine insurance, and the service should be of great assistance to the shipping public.

B. & O. TRAINS INTO PENNSYLVANIA STATION.

APRIL 22, 1918.

Director General McAdoo to-day issued the following order effective April 28, 12.01 a. m.:

Baltimore & Ohio trains between Washington and New York will be transferred and run into the Pennsylvania station at Thirty-fourth Street via the following route: Run on the present tracks to Bound Brook, N. J., then switching over to the Lehigh Valley on that road to the Pennsylvania Railroad at Newark Junction, and from there over the Pennsylvania through the tubes to the Thirty-fourth Street station.

This rerouting of the Baltimore & Ohio trains will tend to utilize them to capacity, thereby assisting the Pennsylvania between New York and Washington and affording the public greater facilities.

STANDARD LOCOMOTIVES.

APRIL 30, 1918.

Director General McAdoo, of the United States Railroad Administration, announced to-day that he has just awarded contracts for immediate construction of 1,025 modern locomotives. Deliveries are to begin in July and continue monthly during the remainder of the year.

The locomotives are of six standard types, one heavy and one light, one of each type, covering both freight and passenger service, and varying in weight from 290,000 pounds to 540,000 pounds. The order involves an expenditure of approximately \$60,000,000. The engines will be allotted, upon completion, to the various railroad systems where they are most needed.

The awarding of this contract marks the establishment by the Government of the standard type of locomotives, specifications for which have been developed and perfected by committees of experts, who for many weeks have devoted much time and study to the subject.

The six standard types of locomotives, two sizes of each class, are expected eventually to supersede the many miscellaneous types and varieties of locomotives now in service, embracing engines built according to 500 or more varying specifications. This is the first time that any real forward step has been taken looking to the wide standardization of locomotive engines.

The contracts were awarded on terms much more favorable to the railroads than the bids originally submitted by the builders.

The order was distributed approximately one-half to the American Locomotive Co. and the remainder to the Baldwin Locomotive Works.

ELIMINATION OF PASSENGER TRAINS.

MAY 14, 1918.

Director General McAdoo has approved the recommendation of Regional Director Aishton for a reduction in the mileage of transcontinental passenger trains starting from Chicago, aggregating 11,728,000 miles per annum, and it is proposed that the revised schedules shall take effect on June 2.

This economy has been accomplished by abandoning duplicate service between Chicago and the Pacific coast cities and assigning to the short and direct routes to each city the fastest through service. Under this plan the Atchison, Topeka & Santa Fe will be the preferred route to Los Angeles, Chicago & North Western-Union Pacific-Southern Pacific to San Francisco, Burlington-Northern Pacific to Portland, and the Chicago, Milwaukee & St. Paul to Seattle. The fast trains will make the run in 72 hours to each city. There will be a secondary train carrying all classes of equipment scheduled in 78 hours. The other transcontinental roads will operate such service as may be necessary to accommodate their intermediate travel on reasonable schedules.

On the same date the mail schedules will be adjusted so that there will be a parity of mail service between Chicago and each of the rival commercial centers on the Pacific coast. The fast mail trains will cover the distance between Chicago and Pacific coast terminals in 65 hours.

The public will be adequately served under the new arrangement, although it is probable that more upper berths will be sold in the future than in the past.

The passenger committee for the western district has now started working on the rearrangement of the schedules to the Southwest, where important economies can also be effected without affecting public convenience.

APPOINTMENT OF FEDERAL MANAGERS.

MAY 21, 1918.

In view of the direct responsibility for the operation of the railroads of the country placed upon Director General McAdoo by the act of Congress and by the proclamations of the President, he has been unable to escape the conclusion that it will be advisable to place in direct charge of each property for operating purposes a representative to be known as the Federal manager, who will report to the Regional Director. As far as practicable, this Federal manager will be chosen from the operating officers of the particular property, who are therefore entirely familiar with its employees and with its con-

ditions. Except so far as may be necessary to meet the emergency conditions which compel the Government to take control of the railroads, the Federal manager of each railroad will endeavor to avail himself to the fullest extent of the advantages incident to the operation of the particular railroad as a unit and the preservation of its identity. This is believed to be of essential importance, not only to secure the best results during the period of Government control, but also to give the greatest degree of reassurance to the officers and employees that the railroad careers upon which they have entered will not be narrowed, but, if anything, will be broadened, and to give the greatest possible reassurance to the stockholders that their just interests in the properties will be respected and that nothing will be needlessly done to have even the appearance of impairing their just rights.

While in this way the responsibility for the operation of the property will be directly to the Regional Directors and not to the boards of directors, it is the purpose of the Director General to accord to the boards of directors and their representatives the fullest opportunity to keep advised as to the operation and improvement of the properties and to maintain with the Director General and the Regional Directors the fullest interchange of views as to what is in the best interest of the Government and of the stockholders.

In the development of this policy the Regional Directors and also the Federal managers will be required to sever their official relations with the particular companies and to become exclusive representatives of the United States Railroad Administration.

The first moves in the inauguration of this policy will be through the creation of two new regions to be known as the "Allegheny Region" and the "Pocahontas Region."

The Allegheny Region will consist, broadly, of the Pennsylvania lines east of and including Pittsburgh and Erie; Baltimore & Ohio, east of Pittsburgh and Ohio River including Pittsburgh terminals, Bessemer & Lake Erie Railroad, Cumberland Valley Railroad, Central Railroad of New Jersey, Coal & Coke Railroad, Philadelphia & Reading Railway, Western Maryland Railway, Cumberland & Pennsylvania, and Pittsburgh & Lake Erie. This region will be placed in charge of Mr. C. H. Markham as Regional Director (who has resigned his connections with the Illinois Central and other companies), who will have offices in Philadelphia.

The Pocahontas Region will consist of the Chesapeake & Ohio Railway east of Columbus, Cincinnati, and Louisville, the Norfolk & Western Railway, and the Virginian Railway, including the terminals of all lines at Hampton Roads. With the exception of the Allegheny and Pocahontas Regions, the Eastern Region will remain as originally defined with Mr. A. H. Smith as Regional Director, and district di-

rectors under Regional Director Smith will be appointed for New England and for that portion of the Eastern Region west of Pittsburgh and Ohio River and south of the Erie main line. The selection of the Regional Directors for the Pocahontas Region and for the Southern Region, succeeding Mr. Markham, as well as of the two new district directors under Regional Director Smith will be announced later.

The same policy will be applied from time to time as rapidly as may be convenient in other parts of the country, always with the greatest possible regard for all the interests affected and with a view to preserving intact, as far as reasonably practicable, the operating organizations of the companies.

ONE-CENT-A-MILE RATE FOR SOLDIERS.

MAY 25, 1918.

Director General McAdoo, realizing that the payment of the full railroad fare means a serious hardship to our soldiers and sailors who desire to visit their homes before going overseas, has ordered that as soon as necessary details can be completed soldiers and sailors of the United States forces, when furloughed and traveling at their own expense, will be granted a rate of approximately 1 cent per mile. This fare will be available on delivery to ticket agents of certificates signed by commanding officers. Such certificates of standard form will be prepared and distributed with the utmost promptness.

RATE INCREASE.

MAY 27, 1918.

Director General McAoo sent the following telegram to the presidents of all State railroad commissions:

Apparent increases in operating expenses aggregating \$830,000,000 to \$960,000,000 for the calendar year 1918 as compared with the calendar year 1917, and consisting principally of increases in wages and cost of coal, fuel oil, and other materials and supplies, leave no escape from the conclusion that the public interest requires immediate and substantial increases in the rates for practically all services, passenger and freight, now performed by the railroads under Federal control, and therefore in effect performed by the United States Government itself, and that there is no other reasonable way to defray the expenses of Federal control and operation, since it is clear that those additional burdens should not be forced upon the Federal Treasury at this time, when it is already so heavily taxed by the needs of our own Government for war purposes and the essential demands for credit of the gallant nations associated with us in this great struggle for liberty. In these circumstances, it seems clear that the duty which rests upon me by virtue of the act of Congress of March 21, 1918, and by virtue of the President's proclamation, should be performed by the initiation without delay of increased rates to meet the situation.

In dealing with this supremely important subject, I have given much thought to the question as to the practical way of availing myself of the knowledge and

cooperation which at all times have been so cordially put at my disposal by the State commissions. The act of Congress gives me no opportunity to share with the State commissions the responsibility which rests upon the United States Railroad Administration for the financial results to the United States Government of the operation of the railroads. In fact, the Government of the United States has assumed control of the railroads and the undivided responsibility for their operation, and that entire responsibility has been placed upon me. I have also felt that the exigencies of the situation are so serious as not to admit of postponement of action until full opportunity could be extended to the commission in all the States to discuss the important problems involved and to advise me, in advance of official action, as to how my responsibility could best be discharged.

In these circumstances, it has seemed clear that the responsibility should be promptly met in the manner contemplated by the act of Congress, and then, in the inevitable readjustments which always must come in a matter of such far-reaching character, to obtain the advice and suggestions of the State commissions and to take advantage of their views in order that in the final consideration of the subject by the Interstate Commerce Commission, that body may have the benefit of the most intelligent and equitable suggestions as to the readjustments needed to accomplish the largest measure of relative justice while at the same time obtaining the additional operating revenues which the United States Government must have in order to discharge the responsibilities which it has assumed for railroad operation.

Acting upon this view, I am initiating substantial increases in practically all rates, passenger and freight, and am arranging to have delivered to you at once a copy of the announcement on this subject. I earnestly hope that the procedure thus adopted, and which is unavoidable, will have your support, and that you will give the Government your full cooperation in perfecting the rates thus initiated. I also bespeak your patriotic cooperation in getting the public to support in a patriotic spirit and as a war measure these substantial rate increases which are the outgrowth of war conditions and which in principle and in substance are indispensable to enable the Federal Government to discharge the transportation functions which are essential to the successful conduct of the war.

W. G. McAdoo,
Director General of Railroads.

EXPRESS COMPANIES.

JUNE 22, 1918.

The express contract between Director General McAdoo and the four principal express companies (Adams, American, Wells Fargo, and Southern), the basis of which was announced by the Director General on May 28, was signed by representatives of the express companies yesterday and by Walker D. Hines, Acting Director General, to-day. The complete terms of the contract were communicated to the Director General, who is away from the city obtaining a brief rest, and received his personal approval.

The contract provides for the carrying on of the express business for all of the railroads under Federal control, and the new express company now established will be the Director General's agent for carrying on the express business. As announced on May 28, the char-

acter of the service and of the rates will be under the Director General's control and subject to initiation by him. The contract will remain in force during the period of Federal control, unless previously abrogated. The contract provides that it can be canceled by either side upon six months' notice after being in effect for four years.

SHORT-LINE RAILROADS.

JUNE 29, 1918.

Under the act of March 21, 1918, it becomes necessary for the United States Railroad Administration, prior to July 1, 1918, to exercise the responsibility, created by section 14 of that act, of determining what railroads or parts of railroads it is not needful or desirable shall continue under Federal control.

So far as it has been practicable, in such a complicated matter, to develop the facts up to the present time, it has become apparent that there are large numbers of the shorter railroads whose Federal control is not needful or desirable.

The Railroad Administration has therefore provided that all such railroads be relinquished, except in cases where it has already been ascertained that it is needful and desirable that such railroads shall be under Federal control.

In taking this action the Railroad Administration is mindful of the paramount importance of preserving unimpaired the local public service performed by the railroads which may thus be relinquished and is also solicitous that no injustice shall be done to the owners of such railroads. It may be that the creation of Federal control over railroad systems in general will tend to change unfavorably the situation of many of these smaller railroads, unless special care shall be taken to avoid such unfavorable results, with consequences detrimental both to the local public service and to the just interests of the railroad owners.

To avoid these consequences and to preserve in every reasonable respect a status for the railroads so relinquished as favorable as that which they enjoyed during the three-year test period (the three years ended June 30, 1917), great care will be taken to see that the railroads so relinquished are given fair divisions of joint rates, are insured a reasonable car supply—circumstances considered—and are protected against any undue disturbance in the routing of traffic.

In order to make sure that a continuing study and supervision shall be provided for the carrying out of the policy thus outlined, there will be created at once in the Railroad Administration's Division of Public Service and Accounting a Short Line Railroad Section, the manager of which will be charged with the special duty of

ascertaining what is necessary in order to give as to these matters reasonable protection to the railroads relinquished.

It may be that instances will appear where Federal control of railroads now relinquished is in fact needful or desirable. In such cases there will be no hesitation in taking the action necessary to put such railroads under Federal control.

In general, it is the definite policy of the Railroad Administration to see that all short-line railroads receive fair and considerate treatment.

I approve the above policy and announcement.

(Signed) WOODROW WILSON.

UNIVERSAL MILEAGE.

JULY 3, 1918.

Director General McAdoo to-day authorized the following announcement:

There will be placed on sale, on or about August 1, a universal mileage scrip at the basic rate of 3 cents per mile.

Each coupon of the ticket will represent the value of 3 cents and can be used for the payment of sleeping and dining car charges and transportation of excess baggage, as well as transportation charges on all trains on railroads under Government control.

The advantages of this simple form of ticket are obvious and the change is expected to relieve the pressure on ticket agencies at busy centers.

The war tax will be collected by conductors at the time of the presentation of the mileage scrip.

INLAND WATERWAYS.

JULY 11, 1918.

The much-discussed question of developing a system of transportation on the inland waterways provided by the Mississippi and Black Warrior Rivers has been settled by Director General McAdoo through the appointment of M. J. Sanders, of New Orleans, as "Federal manager of the Mississippi and Warrior Waterways."

The Director General has received full reports on this subject from the Committee on Inland Waterways, from the western and southern regional directors, and from Director Prouty and Interstate Commerce Commissioner Meyer, all of whom have investigated the matter at the Director General's request.

Mr. Sanders, the newly-appointed Federal manager, will have general direction of development of the necessary facilities and the construction of requisite barges, tugs, etc., that will be used on the Mississippi River south of St. Louis and on the Black Warrior River route between the Birmingham district in North Alabama and Mo-

bile and New Orleans; the latter city being reached via the Black Warrior River, Mobile Bay, the Gulf of Mexico and Lakes Borgne or Ponchartrain with their connecting canals.

Mr. Sanders has been manager of the Leyland Steamship Lines for the ports of New Orleans, Mobile, and Pensacola for the last 30 years. This steamship service is the most important traversing the Gulf of Mexico. It includes some of the largest freight steamers in the Gulf trade, with as many as 100 sailings annually from the ports named.

Mr. Sanders has had extensive business connections with all the railroads serving the Gulf ports as well as with the existing river transportation service. He was president for several years of the City Bank & Trust Co. of New Orleans, and president of the Mobile Liners (Inc.). He is director of the Lake Borgne Canal Co., of the New Orleans Ship Wright Co., and of the Louisiana Southern Railway. He was also president for several years of the New Orleans Progressive Union, now the Association of Commerce, and has just finished a two-year term as president of the New Orleans Board of Trade, of which he is still a director.

In March last he became a member of the Inland Waterways Committee above referred to. This committee was appointed by the Director General to "make a prompt investigation and report as soon as practicable a definite plan describing the extent and the manner in which additional use may be made of the internal waterways for the economical and expeditious movement of traffic of the country, so as to relieve or supplement the railways under existing war conditions."

Mr. Sanders strongly believes that the time has come when the enormous expenditure of the Government in the development and improvement of the Mississippi and the Black Warrior Rivers should be made to yield some return through the application of progressive methods, modernized facilities, equitable freight rates, and fair differentials, and that the pressure upon the railway facilities of the Nation will be sensibly reduced by the adoption of such a policy. He will have the opportunity in the position to which he has been appointed to make a thoroughgoing test of the possibilities of these waterways under favorable conditions.

FIRE PROTECTION.

JULY 16, 1918.

The United States Railroad Administration announced to-day the organization of a new section, under the supervision of the Director of Finance and Purchases, which shall be known as the Section of Insurance and Fire Protection.

As heretofore announced, it will be the general policy of the Railroad Administration to do away with the fire-insurance policies heretofore carried, and to have the Government itself stand directly responsible to the railroads for fire losses of property in Government possession.

This section will therefore deal primarily with the prevention of fires through rigid and intelligent inspection, and by insisting upon the observance of rules and regulations intended to prevent the unnecessary destruction of property by fire.

The Insurance Section will have the benefit of the assistance of an advisory committee of men experienced and skilled in the business of fire insurance, whose names will hereafter be announced. Mr. Charles N. Rambo, of Philadelphia, superintendent and secretary of the Mutual Fire, Marine & Inland Insurance Co., has been selected as manager of the section and will resign from his present position.

Mr. Rambo brings to his work 20 years of experience in the insurance business, and for the past 15 years has devoted his energies to the Mutual Fire, Marine & Inland Insurance Co., which was organized by and in the interest of the railroad companies for the purpose of mutual insurance and of reducing fire-insurance costs and premiums.

The Insurance Section will provide a force of skilled inspectors in each region whose duty it will be to see that the rules and regulations intended to reduce fire losses are rigidly observed. The insurance inspectors now employed by the various railroads will be utilized as far as desirable.

This section will also have general charge of the adjustment of fire losses.

EXPRESS FRANKS.

JULY 29, 1918.

Under instructions from Director General McAdoo the American Railway Express Co., the new company established under the contract between the Director General and the four principal express companies of the country, has canceled all express franks previously in use and adopted the policy of issuing no new franks.

In the past free service was given by the express companies to a large number of people, not only express officers and employees, but also the officers of railroad companies and others. As a result of this practice a great many express franks were in existence and a large quantity of goods was carried free of charge.

After careful consideration, the Director General decided that it was proper and wise to eliminate this free service entirely, and as a result all matter now carried by express is paid for.

PASSENGER SERVICE.

STATEMENT TO THE PUBLIC.

WASHINGTON, D. C., August 20, 1918.

Complaints have reached me from time to time of overcrowded trains and unsatisfactory conditions prevailing in some sections of the country in passenger-train service. I feel certain that there are grounds for some of these complaints, but I am sure the public will be interested to know that the reasons are twofold:

First, the great number of troops now being handled over the various railroads between the homes and the cantonments, between the different cantonments and then to the seaboard, is making extraordinary demands upon the passenger-car and sleeping-car equipment of the country. This has caused a scarcity of day coaches and sleeping cars which it is impossible to remedy immediately.

Secondly, the increased demands upon track and terminal facilities for the transportation of the tremendous amounts of coal, food supplies, raw materials, and other things required for military and naval operations, as well as for the support of the civil population of the country, force the largest possible curtailment of passenger-train service. The movements of troops and war materials are, of course, of paramount importance and must be given at all times the right of way.

It was hoped that the increase in passenger rates recently made would have the wholesome effect of reducing unnecessary passenger traffic throughout the country. The smaller the number of passengers who travel, the greater the number of locomotives and cars and the larger the amount of track and terminal facilities that will be freed for essential troop and war-material movements. Engineers, firemen, and other skilled laborers will also be released for service on troop and necessary freight trains.

Among the many patriotic duties of the American public at this time is the duty to refrain from traveling unnecessarily. Every man, woman, and child who can avoid using passenger trains at this time should do so. I earnestly hope that they will do so. Not only will they liberate essential transportation facilities which are necessary for war purposes, but they will save money which they can invest in Liberty Bonds and thereby help themselves as well as their country; and the fewer who travel, the more ample the passenger-train service will be.

I may add that consistently with the paramount demands of the war, every possible effort is being made by the Railroad Administration to supply the largest possible amount of comfortable and prompt passenger-train service.

W. G. McADOO,
Director General of Railroads.

USE OF PENNSYLVANIA RAILROAD TERMINALS BY LEHIGH VALLEY RAILROAD.

SEPTEMBER 9, 1918.

Director General McAdoo announced to-day that, effective September 15, the New York and Jersey City terminals of the Pennsylvania Railroad will be used by the Lehigh Valley Railroad. The present use of the Communipaw terminal of the Central Railroad of New Jersey by Lehigh Valley passenger trains will be discontinued the same date.

It is proposed to send Lehigh Valley trains Nos. 5 and 6, 7 and 8, 9 and 10, 29 and 30, and 11 and 28 into the Pennsylvania station at New York, while the remainder of the Lehigh Valley passenger service, consisting of trains Nos. 1, 27, 33, 40, 22, and 34, will use the Jersey City terminal of the Pennsylvania.

Passengers from downtown New York for trains leaving the Pennsylvania uptown station will use the Hudson & Manhattan Railroad, trains connecting at Manhattan Transfer. Hudson & Manhattan trains and Pennsylvania ferry service also will be used by passengers for the Lehigh Valley trains leaving from the Pennsylvania's Jersey City station. No excursion business of the Lehigh Valley will be handled out of the Pennsylvania stations at New York or Jersey City, and the Lehigh Valley will handle its troop trains at Communipaw.

GRAIN MOVEMENT.

SEPTEMBER 16, 1918.

Director General McAdoo to-day authorized the following statement:

The conditions existing in the grain trade this season have brought about an unusual situation, due principally to two factors, namely, an abundant wheat crop and a stabilized price which removes any incentive to hold wheat back on the farms for price fluctuations.

As a result of this situation the grain has been shipped as fast as harvested, and as a matter of fact nearly 100,000 more cars of grain have been handled by the railroads to date this season than in the same period last year. Naturally this tremendous flow of grain has overtaxed the storage facilities. At the present time not only are the seaboard elevators filled to capacity awaiting export, but the elevators at the primary markets are practically unable to furnish any more storage, and should the grain be allowed to continue to flow without control the only possible result would be the use of cars for storage, resulting not only in congestion of tracks and terminals but in putting the cars out of business for the other transportation needs of the country.

To meet this situation the Railroad Administration, in conjunction with the Food Administration, has arranged to control grain movements throughout the country and to transport all grain under what is known as the "permit" system in charge of committees in the different grain zones, which means that shippers will be furnished with cars and permitted to ship to the capacity of all the markets to take care of and promptly unload the grain. This not only will prevent congestion of the tracks and tying up of equipment but will result in a regular movement of the grain traffic and the best distribution of equipment, with the effect of the greatest efficiency, which, of course, results directly to the greatest benefit to the grain producer and the least disturbance of his business arrangements.

It is interesting to know that already 75 per cent of the winter wheat has moved from the farms, while the spring wheat and oats are just beginning to move, and of the total wheat crop it is estimated that about 43 per cent had already reached the markets, which is far in excess of the usual amount at this time of the year.

COAL MOVEMENT.

SEPTEMBER 27, 1918.

Director General McAdoo to-day authorized the following:

At the present time the rules under which coal mines are rated and the cars distributed vary considerably on different railroads. Result is that it has been almost impossible to gauge car supply for coal loading throughout the country unless one is fully conversant with the details of the individual railroad's rules. The attached circular outlines uniform rules for rating for car distribution purposes for coal mines other than anthracite, loading coal at mine tipplers, and the rules governing the distribution of cars to coal-mine tipplers other than anthracite. The rules were issued to-day to all coal-loading railroads.

Under the new rules mines will be supplied each month with cars on the basis of shipping ability as demonstrated by their performance for the previous month. Each road will work on the same rule and the result will be that if the percentage rate of distribution varies it will be known whether or not a road is short of cars because its figures will be compiled on the same basis as every other road's.

These rules have been in the course of preparation for the past two months, during which time the Railroad Administration has obtained the views of representative transportation men of important bituminous coal-loading roads as well as the views of the Fuel Administration, the National Coal Association, and individual operators.

MILITARY MEALS.

OCTOBER 5, 1918.

Director General McAdoo to-day authorized the following:

The United States Railroad Administration and the War and Navy Departments have recently agreed upon an arrangement for furnishing meals in dining cars and eating stations to officers and enlisted men which is proving very popular with men in the service. The War and Navy Departments have raised the meal allowance to 75 cents. In some instances the former allowance was 50 cents and in others 60 cents.

Orders have been issued that a substantial and appetizing table d'hote meal be furnished for this sum. The weight of each article on the menu will equal or exceed the Army and Navy rations.

The arrangement will apply to officers and men traveling at their own expense as well as to those who are traveling on Government orders, and includes inducted men on their way to enter the service.

Typical menus for breakfast, luncheon, and dinner are shown below:

Breakfast.—Fruit or cereal, ham or bacon, eggs, potatoes, bread and butter, tea, coffee, or milk.

Luncheon.—Soup, relish, roast, stew, or boiled meat, two vegetables (potatoes and one other), bread and butter, tea, coffee, or milk, dessert.

Dinner.—Soup, relish, roast, stew, or boiled meat, two vegetables (potatoes and one other), bread and butter, tea, coffee, or milk, dessert.

CONTACT WITH PUBLIC.

OCTOBER 24, 1918.

Director General McAdoo sent the following letter to each one of the Regional Directors:

To the end that its patrons may fully understand the purpose, plans, and general policy of the United States Railroad Administration, and that all employees may appreciate their part in taking care of the needs of the public, it is very desirable that the Regional Directors shall arrange occasionally for direct contact between the officers of the railroad and the public served by its line. This contact should not only occur at the larger cities which were formerly regarded as highly competitive points but also at those points which are local to and served only by the one line of railroad.

Without limiting your discretion it is suggested that the object may be successfully accomplished by once in a while arranging trip of operating, accounting, and traffic officers together, who shall visit city officials, boards of trade, chambers of commerce, and important industries of each city or town for the purpose of informing the public why it was necessary in order to meet war necessity to do things in a certain way, also explain the advantages which have accrued and will accrue in the future by the improvements in transportation conditions worked out by the Railroad Administration and which are bound to be continued permanently because of their efficiency, economy, and expedition in the handling of traffic.

An opportunity will thus also be afforded for advising the public as to the organization in each region for the conduct of business and direct them to the

proper office with which to take up the various matters of rates, claims, car supply, service, or other needs which may from time to time arise, impressing them with the fact that the local officers are prepared and anxious to handle all matters of mutual interest between the communities and railroads, and that it is not necessary to appeal to Washington in the transaction of the ordinary business of the railroad.

The local officers should be impressed with the importance of giving every consideration and attention to matters that may be brought before them, and that all suggestions should have careful consideration, and there is no doubt that the stimulation of the local railroad agents and employees, as well as the satisfaction of the public, will amply prove the wisdom of this procedure.

SHORT-LINE CONTRACT.

OCTOBER 25, 1918.

Director General McAdoo to-day approved and promulgated the contract for the short-line railroads.

This contract follows the general principles announced by the President at the time he vetoed the short-line resolution. It is believed that this will be satisfactory to short-line owners and will enable them to continue in operation as successfully as before Federal control.

It provides that until it is necessary for the Director General to exercise control over the short-line roads for war purposes, they are to remain under the management and direction of their owners and are entitled to all the revenues and responsible for all expenses and obligations; that the rates, fares, and charges for transportation services performed jointly by the short lines and the trunk lines shall be divided fairly between the Director General and the company. The arbitrariness and percentages of joint rates received by the short lines on January 1, 1918, shall not be reduced, and when joint rates are increased, the short lines shall receive their proportion of such increased rate in the same ratio; that the short lines are to receive an equitable allotment of cars (and where feasible motive power), and for the equipment furnished by the Director General they shall pay same rental as the Director General pays for their equipment used by him, and an allowance of two days' free time on cars for loading and unloading is made on lines of road of 100 miles in length or less.

Such arrangement shall be made for the routing of competitive traffic over the short line as will guarantee to it the same amount of competitive traffic as was enjoyed for the average of the three years ending December 31, 1917, and the short line as far as practicable is to have the benefit of the purchasing agencies of the Director General in the purchase of material and supplies, and at the prices paid by him; and have its repairs made at the shops of its connecting lines upon the same terms as was enjoyed before Federal control.

There shall be no discrimination against the company in the matter of publishing tariffs and routing. Short lines will be treated in the same manner as the trunk lines, except that nothing in the contract shall be construed to require the establishment of joint rates where joint rates were not in effect at the beginning of Federal control.

The order of relinquishment issued in June is to be set aside, and the road restored to Federal control on the basis of the contract, and the right is given to the Director General to take over the operation of the road if in his opinion a war necessity arises.

The Director General will formulate definite rules and regulations governing transportation which shall apply to the short lines without discrimination.

EXPRESS CONTRACT.

OCTOBER 26, 1918.

The Interstate Commerce Commission in its decision announced to-day with reference to proposed increase in express rates indicates that the plan proposed constitutes a justifiable method of dealing with the necessities of the situation unless the Director General should reduce the percentage basis of compensation which the Express Company is to pay the Director General or unless he should make what is in effect a similar change in the contract by providing that only half of the proposed increase in rates shall be made and that the entire increase thus made shall inure to the benefit of the Express Company.

These alternatives had already been carefully considered by the Director General and the conclusion was reached that neither alternative was justifiable in the circumstances.

The contract between the Director General and the Express Company provides that the Express Company shall pay to the Government for the express privileges accorded to it by the Director General 50.25 per cent of the gross revenues from the express business. This percentage represents the average which has been paid for 10 years by the express companies to the railroads, and it is fair to assume that this percentage represents what is required for the performance of that part of the total service which has been performed by the railroads in the past. Moreover, the heavy increases in operating costs on the railroads have necessitated substantial increases in freight and passenger rates, averaging probably 25 per cent or more, and averaging in the case of many passenger rates as much as 50 per cent. In such circumstances it is clearly unwise to make an actual reduction in the basis of the Government's compensation for the express privileges accorded to the Express Company for services on passenger trains. By the preservation of the present established

basis of compensation for the express privileges the increase in revenue of the Railroad Administration from the carrying of express business on passenger trains will be no greater than the increased revenue paid for transportation of passengers and their baggage and such increase from the express business is just as appropriate and necessary as the increase from the passenger business.

Another consideration of first importance is that the relatively low rates for transportation of express matter have had the effect of transferring to passenger trains the transportation, as express, of many articles and commodities which ought normally to go by freight. This tendency has been accentuated by the substantial increases recently made in freight rates. The result of this undue transfer of freight matter to passenger trains has been to congest and delay the passenger train service. The proposed increase in express rates will probably fall short of establishing a proper relation between express rates and freight rates and certainly on this account no less increase in express rates than is proposed would be advisable.

The entire amount of this increase which will inure to the express company is to be used for making necessary increases in wages of express employees. The portion of the increase which will inure to the Railroad Administration will be no more than is needed to provide for heavy increases in operating cost fairly chargeable to the express business.

UNIFORM RATES.

OCTOBER 27, 1918.

Director General McAdoo has submitted to the Interstate Commerce Commission and State railroad commissions a system of class rates which, if adopted, will do away with most of the discriminations and inequalities that now exist and will bring about a greater degree of uniformity in those sections of the country where conditions of transportation are practically identical.

These mileage schedules of class rates, which are purely tentative, are offered for adoption in the territory east of the Mississippi River and south of the Ohio River and of the main line of the Norfolk & Western Railroad; also in all of the States west of the Mississippi River, including Wisconsin and Minnesota.

In the West the country has been divided into zones, within which for both intrastate and interstate application, the following scales are suggested: In Iowa, Wisconsin, Minnesota, and Missouri north of the Missouri River the 75 per cent scale; in North Dakota, South Dakota, Nebraska, Kansas, Oklahoma, Arkansas, Missouri south of the Missouri River, Louisiana west of the Mississippi River, and Texas common point territory the 100 per cent scale. This same scale is also proposed for application intrastate and interstate between points in the States of California, Oregon, and Washington.

In Arizona, New Mexico, Colorado, Nevada, Utah, Wyoming, Idaho, Montana, and Texas differential territory the 120 per cent scale is suggested.

In this connection it is interesting to note that the 100 per cent scale, which is now proposed for use in several of the granger States, is exactly the same, except for its extension to 1,000 miles, as that recently agreed upon for use in the State of Oklahoma at a conference between Director General McAdoo and the railroad commissioners of that State to whom it was entirely satisfactory.

In the southeastern territory one of two scales is proposed for adoption, the first being the same as offered for application in 100 per cent western territory to be governed by the western classification; the other a special scale designed to be used in connection with the southern classification. It is hoped the people of the Southeast may find it advantageous to adopt the western scale and western classification which would prove not only a great convenience to the shipping public but also a long step toward a uniform classification which is desired.

It is not the idea of Director General McAdoo that these scales should apply interterritorially; for instance, between two points one of which is in 75 per cent and the other in 100 per cent territory. The only exception to this is, it is proposed to apply interterritorially within the boundaries of the State of Texas the scale for 100 per cent territory in conjunction with the scale of differential rates prescribed by the Interstate Commerce Commission in the *Shreveport Case* for application in Texas differential territory without, however, the increase of 25 per cent provided for in General Order No. 28. It is believed the overhead or specific rates, which will be continued in effect, will amply protect interterritorial traffic, as well as the few interstate movements beyond the maximum distance for which the proposed schedules are fixed within the various zones.

These scales are being sent to the various State commissions and to commercial organizations in the States affected inviting their criticism and suggestions. The advice of the Interstate Commerce Commission is also being sought under the eighth section of the Federal control act, and presumably hearings will be held by that body to the end that the widest possible investigation as to their propriety and reasonableness may be made. In addition to this they are being sent to the various traffic committees throughout the territory prescribed, that they may analyze them and offer constructive criticisms and suggestions as to their possible use.

Director General McAdoo is not wedded to any theory or any schedule. His purpose is to bring on a full and intelligent discussion of the subject to the end that what is right and in the public interest may prevail.

LOW RATES FOR DISCHARGED SOLDIERS AND SAILORS.

NOVEMBER 19, 1918.

Because of the law allowing $3\frac{1}{2}$ cents per mile for transportation and sustenance for soldiers and in order to make certain that soldiers will not be required to pay any part of the expense of returning to their homes after being discharged from the Army, Director General McAdoo to-day authorized a reduction of $33\frac{1}{3}$ per cent in the current coach fare for this purpose, making the rate to them approximately 2 cents per mile.

It is estimated that the total reduction of railroad revenue resulting from this arrangement will be approximately \$12,000,000. If the discharged soldiers require sleeping-car accommodations, they will pay the additional charge of approximately one-half cent per mile in tourist cars, the type of sleeping car which will be generally used. This will leave them an adequate amount to pay for their meals while going home.

It will be necessary to file with the Interstate Commerce Commission special tariffs authorizing this rate, which will be done promptly, and the arrangement will be placed in effect within the next few days. It will be applicable until further notice to all discharged soldiers as well as to the 132,000 men stationed at the 14 camps throughout the country and who are to be immediately demobilized by the War Department and honorably discharged.

NEW EXPRESS RATES.

NOVEMBER 20, 1918.

A general order initiating increased express rates was issued by Director General McAdoo to-day effective January 1, 1919. The essential features of the order provide that in the territory north of the Ohio and Potomac Rivers, and east of the Mississippi River, the increase in express merchandise rates range from 16 to 17 cents per hundred pounds regardless of the distance hauled in that territory. The increase in the balance of the United States will range from 10 to 12 cents per hundred pounds on merchandise. The increase on food products will be about three-quarters of the increase on merchandise shipped by express.

The Director General submitted this plan for increased express rates to the Interstate Commerce Commission for its advice. He indicated to the commission that it was necessary to raise approximately \$24,000,000 additional revenue, which under the contract would go practically half to the railroad revenue and half to the express revenue, and inquired whether the plan proposed would yield

approximately that amount, and if so whether the plan was proper. The commission after a public hearing announced its conclusion that, if the amount of increased revenue was needed, the plan proposed was proper and preferable to any other method that had been suggested. The commission pointed out that under this plan the greater increase in rates would be applied in the eastern territory, which is the territory "of lowest rates of the greatest cost of operation and greatest increase in those costs," and stated that while the plan would be a departure from the original zone relationship established by the commission, that departure appeared under the circumstances now presented to the commission to be justified.

The commission raised for the Director General's consideration the question whether the increase in rates could be obviated by a reduction in the amount which the Express Company is required to pay the Railroad Administration for the express privilege, but, as the Director General has heretofore announced, such change in the contract is not practicable in view of the relative cost to the Railroad Administration of handling the express business and in view of the heavy increase in the operating costs attributable to the railroad handling of that business.

The fact that the eastern territory is the region of greatest cost of operation and of greatest increase in such cost is due to the fact that in that region there is the greatest percentage of short-haul traffic on which relatively the terminal and other costs are greatest. Another important advantage in increasing the rates in the eastern territory to a greater extent than other parts of the country is that it will have a tendency to restore the proper balance between express and freight rates, which has been disturbed in recent years by the greater increase in freight rates that have been granted in that territory than in other parts of the country, which has resulted in the transfer from freight to express transportation of much traffic which ought to move by freight.

This eastern territory has been swamped with express traffic for the past two years, a great deal of it having been diverted from the regular freight trains, causing congestion of terminals, overcrowding of passenger trains, and producing a volume of traffic which prevented giving good express service on shipments which were usually handled in that way.

It is expected the increased express rates will have the effect of transferring considerable of the short-haul business to motor trucks and back to the freight service, where it really should be handled. It is also anticipated that another result will be the transferring of the handling of some of the smaller packages to the parcel post. It will increase the rates in some of the Middle Western States, where the express rates have been unduly low; in fact, in some cases where

they have been lower than the freight rates and considerably lower than the express rates in surrounding States which had adopted the Interstate Commerce Commission basis of rates made for the express.

The Express Company increased the wages of their employees to the extent of about \$10,000,000 beginning July 1, which used up approximately the increase of 10 per cent in express rates effective July 15. It soon became evident that many express employees were still underpaid and the question of their wages is now being presented to the Board of Railroad Wages and Working Conditions, and it is expected that the further increased wages will practically consume all of the increased revenue which will come to the Express Company after January 1 under this order.

SHOP HOURS.

NOVEMBER 22, 1918.

The emergency under which railroad employees in locomotive and car repair shops patriotically worked long hours during the war period, having in some degree passed, Director General McAdoo to-day issued directions under which the locomotive and car shop hours as far as practicable, will be reduced to nine hours per day effective November 25, and to eight hours per day effective December 9.

The Director General sent the following telegram to all Regional Directors:

Last spring when the railroads were still struggling with congestion traffic and weather conditions were very severe, the different mechanical organizations responded in a most gratifying way to the request that the men work a greater number of hours in the shops throughout the country than they had been accustomed to, or than some of their agreements with the railroads provided, in order to repair locomotives and cars for the prompt transportation of munitions of war and for food and other supplies for our Army and Navy abroad and the allies. It is now possible, in view of the signing of the armistice, to anticipate an early return to normal conditions, and directions have been issued that wherever practicable the locomotive and car shop hours shall be reduced on November 25 to 9 hours per day where greater number is now being worked and to basis of 8 hours per day on December 9. The Director General desires to express his deep appreciation of the patriotic response of the mechanical workmen on all railroads and his gratification that it is no longer necessary to call for number of hours of service heretofore required.

W. G. McADOO,
Director General of Railroads.

ELIMINATION OF EXTRA PULLMAN RATE.

NOVEMBER 26, 1918.

Director General McAdoo to-day authorized the following:
Effective December 1, the additional passage charge of $16\frac{2}{3}$ per cent of the normal one-way fare now required from passengers travel-

ing in standard sleeping cars and parlor cars, and $8\frac{1}{2}$ per cent of the normal one-way fare required from passengers traveling in tourist sleeping cars will be abolished. This means a reduction of one-half cent per mile in the fare of passengers using sleeping or parlor cars, and one-fourth cent a mile in the fare of those using tourist sleeping cars.

The charge in question has served a useful purpose in conserving sleeping car equipment.

LOW-PRICED MEALS FOR DISCHARGED SOLDIERS AND SAILORS.

NOVEMBER 30, 1918.

Instructions have been issued by Director General McAdoo to furnish discharged soldiers and sailors, traveling to their points of enlistment, with so-called military meals at the special rate of 75 cents as granted to men in the service under an arrangement made with the several military departments sometime ago.

Special reduced fares accorded discharged soldiers and sailors are on the basis of two-thirds of the normal coach fare applying via route traveled, or 2 cents per mile, except that the rate per mile would, of course, be higher in those States where the basic fare is more than 3 cents per mile. Between the reduction of the fare and the special meal rate made, it is believed they have been amply provided for, particularly in view of the fact that the additional passage charge for occupancy of space in parlor and sleeping cars is canceled on December 1, so that such discharged soldiers and sailors will have at their command at least a half cent per mile more than they actually need to cover their total expenses in reaching home.

FREEDOM FROM CONGESTION.

DECEMBER 3, 1918.

Director General McAdoo to-day authorized the following:

The difficult experiences of railroads in recent years with serious traffic congestions which clogged transportation resulted in the Railroad Administration early in the year making comprehensive plans to prevent the movement of freight in the areas where congestion was threatened. This policy was then extended with respect to numerous sorts of traffic destined to difficult areas to prevent the loading of shipments except upon the issuing of permits which would only be granted upon showing that the shipments could be unloaded at destination.

The consistent carrying out of these policies has resulted in an exceptional degree of freedom from congestion during the period of

heavy business this fall and there are now outstanding no general embargoes against the free movement of traffic. In this respect transportation conditions are much better than for several years past at this season of the year.

In view of the greatly improved conditions it is the policy of the Railroad Administration to employ embargoes in the most sparing manner possible and with the greatest possible consideration of the public, and it is hoped that the necessity for such steps will be comparatively small. At the same time, however, if difficult conditions so unexpectedly arise the only way to deal effectively with them will be through the prompt use of measures which will prevent railroads being clogged through having thrown upon them shipments which can not be promptly moved and which would only serve to impair the current transportation capacity.

Due to improved transportation conditions it is not expected that embargoes will be necessary during the coming winter to anything like the extent to which they were used a year ago. With the experience gained during the past year, and the system which has been worked out during that time, the Railroad Administration is in a position to direct the operation of the roads in such manner as to result in the handling of a maximum amount of tonnage with the least practical interference.

There is now outstanding a list of standard exemptions to embargoes which was carefully worked out and issued in February, 1918, with accompanying instructions that commodities listed should be exempted in the order shown where the use of embargo in varying degrees might be necessary. The effect of this has been that much unnecessary work and delay in making shipments has been avoided by the elimination of applications for and issuance of permits in connection with such commodities the nature of which made it necessary that transportation should be arranged. This list, for instance, has recognized in the first instance the necessity of moving live stock and perishables, following in turn have been fuel in its varying forms, food and feed for human and animal consumption, Government freight, etc. Experience has proven that this list should be maintained substantially as at present as it is satisfactorily protecting the public interest.

PASSENGER SERVICE.

TO THE AMERICAN PEOPLE.

DECEMBER 10, 1918.

On January 6 last, important changes in passenger train service on the eastern roads became effective, and at that time I issued

a public statement saying that "Every patriotic citizen can directly help the Government in clearing up the present unsatisfactory situation on the railroads by refraining from all unnecessary travel at this time." The policy thus outlined has of necessity been continued throughout the period of the war because the primary duty of the railroads was to contribute their maximum power to the winning of the war.

This emergency has now passed. The war has been won. In this epochal outcome the American railroads have played a vital part. Transportation has underlaid every industrial activity during the war as it does in peace time. Without adequate transportation our troops and the supplies for our own Army and for the armies of our allies could not have been moved. To this splendid achievement those Americans who refrained from traveling unnecessarily during the war may justly feel that they contributed.

During the war the transportation of civilian passengers and of freight not needed in the war was of secondary importance. After giving priority to the movement of war necessities, it has been the policy of the Railroad Administration to supply the most adequate service possible, both passenger and freight, to nonwar business.

The war now being practically over, it will be the policy of the Railroad Administration during the remaining period of Federal control to give to the public the best service of which the railroads are capable. While the necessity still remains for moving large quantities of supplies to Europe, and while a considerable proportion of the railroad passenger equipment will be needed in returning American soldiers and sailors to their homes, the problem can now be definitely appraised and there is every reason to believe that adequate service may be given in the future for the ordinary business of the Nation.

As rapidly as possible, service will be improved, although trains which were run under private control merely for competitive reasons will not be restored. Such service was unnecessary. Plans have already been made for service to California, Florida, and the South-eastern States during the coming winter. The public may be assured that the Railroad Administration will do everything possible to meet the needs of the traveling public. In line with this policy was the recent elimination, effective December 1, of the extra one-half cent a mile for traveling in Pullman cars, and of one-fourth cent a mile for traveling in tourist coaches, which was imposed as a war measure partially for the purpose of keeping passenger travel during the war at a minimum.

There were some wasteful and extravagant practices during private control of railroads. These will not be restored during the

period of Federal control but, within the limits of good business practice, the public may expect every reasonable convenience and comfort on the railroads operated by the Government.

(Signed) W. G. McADOO,
Director General of Railroads.

LETTER TO JUDGE SIMS IN RE RAILROAD LEGISLATION.

DECEMBER 11, 1918.

MY DEAR JUDGE SIMS: The question of railroad legislation is of such vital importance to the country that I take the liberty of submitting to you my views as to the course that should now be pursued. The war is ended, and we are now confronted with the necessity either of legislating intelligently about the railroad problem at this session of the Congress or of promptly returning the railroads to their owners.

Less than three months of the present session of the Congress remain. It will be impossible, I presume, to secure legislation in this short period providing a permanent solution of the railroad problem. This being true, only three courses are open: (1) Government operation of the railroads for one year and nine months following a proclamation of peace, which would mean, in my judgment, Government operation for a period in no event longer than two years and three months; (2) the prompt return of the railroads to private control; or (3) extension of the period of Federal control to five years.

I am convinced that it is wholly impracticable, as well as opposed to the public interest, to attempt to operate the railroads under the provisions of the present law. In the first place, the time is too short, and, secondly, the present legislation is inadequate.

As to the shortness of time, it is clear to me that the railroads can not be successfully operated under Federal control during the next two years in the face of an automatic transfer to private control at the end of that time or of an earlier relinquishment by proclamation of the President. Every month that passes will bring more clearly to the minds of the officers and employees the fundamental change in management that is impending, and the question as to what that change means to the individual. It is against human nature that there can be complete and single-minded attention to duty under such difficult circumstances. This will be especially true on account of the inevitable discussion as to what ought to be done. Already this discussion is in full swing, and its reaction on offices and employees can not be consistent with the complete concentration upon their daily duties. State railroad commissions, railroad security holders, railroad executives, shippers' organizations, and other interests are naturally and properly discussing the subject and proposing various solu-

tions. However desirable the discussion is for the crystallization of public sentiment, it can not result otherwise than to produce a state of uncertainty and ferment among the vast army of railroad officers and employees who will inevitably feel that they face a rapidly approaching change in management.

No business in the United States so imperatively requires disciplined organization and composed conditions of operation, for officials as well as for employees, as the railroad business. Not only does the safety of the lives of millions of passengers depend upon such disciplined and efficient organization, but the commerce of the country as well. To keep this vast army of officers and employees in a state of uncertainty and ferment for a period of two years would be harmful in the highest degree to the public interest. It would be impossible to prevent a serious impairment of the morale of the railroad organizations.

From the standpoint of needed improvements, the period of two years is entirely too short a time within which to plan and carry out the comprehensive improvements which ought to be made to meet the country's requirements under peace conditions. Many of the improvements could hardly be completed and put into operation inside of the two-year period, and under such circumstances and facing a change to private management at the end of two years, it would be unwise in the highest degree to make the improvements and impossible to secure the hearty cooperation of the railroad corporations.

Because of the inadequacy of the present legislation, the authority of the States and the Federal Government has been left in doubt by provisions which I opposed when the bill was under discussion. Conflict between State and Federal jurisdictions will grow more acute under this law. The revolving fund appropriated by the Congress will be insufficient to carry the Federal operation for a two-year period. More than that, it is of the utmost importance to the commerce, industry, and life of the American people that a comprehensive program of improvements to railroad properties shall be carried forward over a period of at least five years; such a program will involve expenditures of at least \$500,000,000 per annum or \$2,500,000,000 for the five-year period. The needed funds are not provided by the present law. Moreover, it is difficult under the present law, without the consent of the corporations, to carry forward a comprehensive plan of joint improvements, which, to be of value to the public, must of itself disregard the selfish and irreconcilable competitive interests of the various carriers. Many terminal improvements, to be genuinely serviceable to the public, must be made without regard to the interest of any particular carrier. Therefore, agreements between the Government and the railroads affected will, in many instances, be impossible, and if the Government should proceed with such im-

provements, using the people's money for the purpose, without securing the carriers' consent, litigation would undoubtedly arise upon the termination of Federal control with the danger that a large part of the Government's investment in the properties might be lost.

Upon the efficiency of the transportation machine in America depends in great measure the future prosperity of the Nation. Involved in this prosperity is the extension of our foreign trade. We produce so much more than we consume that markets must be found for that surplus. Those markets are the competitive markets of the world. We must be able to enter them upon equal terms with any other Nation. Our transportation system, both on land and water, must therefore function at the highest point of efficiency and at the lowest possible cost, if we are to get our reasonable and fair share of the world's trade and in turn be able to keep a prosperous, contented, and happy population at home.

To attempt to continue Federal control under the inadequate provisions of the present Federal control act and for the very brief period it authorizes would be to multiply our difficulties and invite failure. On the other hand, I am convinced from the experience of the past year, that the return of the railroads to the old competitive conditions will be hurtful alike to the public interest and to the railroads themselves. This course, however, will bring fewer evils in its train than the unsatisfactory, if not impotent, Federal control provided for by the present act. The railroads were taken over as a war measure. They have been operated during the past year for the paramount purpose of winning the war. I think it will be generally admitted that the war service has been successfully rendered, and I am sure that experience of great value and benefit has been gained not only for the public but for the railroads themselves during this brief test.

There is one, and to my mind only one, practicable and wise alternative, and that is to extend the period of Federal control from the one year and nine months provided by the present law to five years, or until the first day of January, 1924. This extension would take the railroad question out of politics for a reasonable period. It would give composure to railroad officers and employees. It would admit of the preparation and carrying out of a comprehensive program of improvements of the railroads and their terminal facilities which would immensely increase the efficiency of the transportation machine. It would put back of the railroads the credit of the United States during the five-year period so that the financing of these improvements could be successfully carried out. It would offer the necessary opportunity under proper conditions to test the value of unified control, and the experience thus gained would of itself indicate the permanent solution of the railroad problem.

The American people have a right to this test. They should not be denied it. It is to their interest that it should be done. In my opinion, it is the only practicable and reasonable method of determining the right solution of this grave economic problem.

I am not now and have not been for the past year interested in proving or disproving the theory of Government ownership or any other kind of theory. The railroads have been operated for the past year with the purpose of serving efficiently the paramount needs of the war and at the same time furnishing the best possible service to the public, whether such operation tended to prove or disprove any theory or railroad control, no matter what it might be. I have formed no opinion myself as to what is the best disposition of the railroad problem because the test has not been sufficient to prove conclusively the right solution of the problem. I believe that a five-year test will give the American people the right answer. An ounce of experience is worth a ton of theory, and with the start already made under war conditions, it would be a comparatively simple matter to complete the test so well begun and thereby gain the invaluable experience which will determine the solution of a problem which has vexed our State and National politics and our economic development for the past generation.

There are those who may say that an extension of five years for such a test will mean Government ownership. Personally I do not believe it. But whether such a test would indicate that the ultimate solution shall be Government ownership or a modified form of private ownership under effective Federal regulation, should not cause us to hesitate or refuse to act. It seems to me that in a democracy like ours, where public opinion and the judgment of the majority must finally control, the plain duty is to take those steps which will fully inform public opinion, so that the judgment may be based upon knowledge rather than upon theory. Any test which will illumine the subject so completely that public opinion may operate upon it intelligently would seem to me to be desirable in any circumstances.

In this connection, may I draw your attention to the statement I made before the Committee of the Senate on January 21, 1918, in reply to a Senator who asked if I believed "in the Government ownership of railroads," I said:

I do not, or I have not, at least, felt that it was necessary to take the actual ownership of the railroads. I believe that it will be impossible after the return of peace to restore the competitive conditions to the same extent as they existed prior to the outbreak of the war. I favor some form of governmental regulation and control of a far stronger, more intelligent, and effective character than we have had heretofore, because I am satisfied that a stronger Government control will be demanded and will have to be worked out, both in the interest of the public and in the interest of the security holders of these railroads.

Those who may oppose an extension of five years should face the situation squarely and acknowledge that they prefer the immediate return of the railroads to private control under the old conditions without remedial legislation. It is idle to talk of a return to private control under legislation which will cure the defects of the existing laws. There is neither time nor opportunity for such legislation at present. It is impossible and hopeless for the Government to attempt the operation of the railroads for 21 months after peace under the present law. Therefore, the country should squarely face the condition that the railroads must promptly go back into private control with all existing legal difficulties unless the only practical alternative, viz, an extension of time, is promptly granted.

I hope that the Congress in its wisdom will grant a five-year period for a test of unified railroad operation under proper provisions of law which will make that test effective and at the same time take the railroad question out of politics while the test is being made. Unless this is done, I do not hesitate to say the railroads should be returned to private ownership at the earliest possible moment. The President has given me permission to say that this conclusion accords with his own view of the matter.

Cordially yours,

W. G. McAdoo.

Hon. T. W. Sims,

Chairman, Interstate and Foreign

Commerce Committee, House of Representatives.

HOLIDAY TRAVEL.

DECEMBER 17, 1918.

Director General McAdoo to-day authorized the following:

In anticipation of heavy holiday travel which will be augmented by large numbers of soldiers and sailors on leave, on furlough, and discharged from the service, who will receive the benefit of reduced rates, the chairmen of the passenger traffic committees have been instructed to arrange ample ticketing facilities at the military camps to give attention to providing adequate train service and when necessary to keep consolidated ticket offices open to a reasonable hour at night to permit the advance purchase of tickets for holiday trips. Regional Directors Markham at Philadelphia and Winchell at Atlanta have been asked to give careful attention to providing the necessary train service to take care of the heavy travel expected to move in their territories and particularly north and south through the Washington gateway on account of the many military camps along the Atlantic seaboard.

In Washington, the consolidated ticket office will be kept open daily, except Sundays, from December 16 to December 24, until 9:30

p. m. The advance purchase of tickets and securing of sleeping-car accommodations is being urged. The ticket selling and information facilities at the city and depot offices are filled to capacity. A second information booth has been installed in the depot. There will be 28 ticket windows at the depot open day and night as against 12 windows in operation last season. Orders have been placed for a large amount of extra sleeping and parlor car and coach equipment. The Union Transfer Co. has doubled its force with view of handling holiday baggage without delay. The red cap force at the station has been increased 100 per cent and extra station police will be provided. Special passenger representatives will be assigned to depot work throughout the holidays to facilitate the movement of traffic and straighten out questions regarding tickets, etc., and any confusions that arise. The passenger representatives assigned to the governmental departments have circularized the various buildings and are getting all advance information possible relative to those who will go on vacations and those who will leave here during the holidays permanently, with view to selling them tickets and arranging for accommodations in advance. All schools in and around Washington have been looked after and arrangements made to take care of the scholars going on vacations. The terminal officials, as well as Pullman officials, have been fully posted and are alive to the situation.

LIST OF GENERAL ORDERS.

1. Employees' status January 1, 1918; common use of facilities; routes and rates, etc.
2. Accounting methods to continue as prescribed by the Interstate Commerce Commission.
3. Demurrage charges.
4. Classification of railroads in Eastern, Southern, and Western Regions.
5. Creation of Railroad Wage Commission.
6. Restrictions in expenditures of moneys; issuance of free passes.
 - Supplement No. 1. Newspaper advertising payments.
 - Supplement No. 2. Newspaper advertising payments.
7. Demurrage charges (cancel G. O. No. 3).
 - Supplement No. 1. Demurrage charges.
8. Hours of service safety appliances, and inspection laws; employees' status.
9. Restrictions in filling offices paying \$3,000 and up and \$10,000 and up.
10. Inventory of material and supplies.
11. Universal interline waybilling and standard forms.
12. Rules regarding charges to capital accounts.
 - Supplement No. 1. Rules regarding work involving charges to capital account not in excess of \$25,000 (amendment to par. 5, General Order No. 12).
13. Railway Board of Adjustment No. 1.
14. Daylight-saving law.
15. Requirements relating to construction, maintenance, and operation of new industry tracks.
 - Supplement No. 1. Industry tracks: contracts; discontinuance of use of track.
16. Railroad presidents designated as companies' principal executive authorities.
17. Rules governing recording of and accounting for all transactions arising during Federal control.
18. Lawsuits against carriers while under Federal control.
- 18-A. Supplement.
19. Announcement of possession and control of four steamship companies.
20. Discontinuance of certain checking of operating bills.
21. Simplified bases for apportioning interroad freight revenues.
22. Appointment of general manager New York Canal Section.
23. Weekly cash reports.
 - Supplement No. 1. Instructions governing rendering of weekly cash report. Form T-5.
24. Insurance instructions.
25. Extension of freight credits.
- 25-A. Extension of freight credits.
26. Suits against carriers.

27. Wages of railroad employees. (G. O. No. 27, for 1918, consists of 31 documents.)

Supplement No. 1. Salary and wage adjustment.

Supplement No. 2. Hours, wages, pay of Pullman Co. operating department (except conductors, porters, maids).

Supplement No. 3. Railroads added to and made part of Article I of General Orders No. 27.

Supplement No. 4. Wages, hours, and other conditions of employment of employees in mechanical departments specified herein.

Interpretation No. 1 to Supplement No. 4 to General Order No. 27 and Addendum No. 2 thereto. Employees in any department to be given correct classification if present pay-roll classification does not conform to ruling of Supplement No. 4 to General Order No. 27.

Interpretation No. 2 to Supplement No. 4 to General Order No. 27.

Question and decision regarding mechanics and helpers engaged in construction, maintenance, and repair of electric, electric-pneumatic, electric-mechanical, and mechanical interlocking and signaling systems; also machinists, electricians, blacksmiths, pipe fitters, etc.

Amendment No. 1 to Supplement No. 4 to General Order No. 27. Removal of certain inequities concerning compensation for helpers—shop crafts.

Addendum No. 1 to Supplement No. 4 to General Order No. 27. Rates of pay and rules for coach cleaners.

Addendum No. 2 to Supplement No. 4 to General Order No. 27. Rates of compensation for certain classes of employees.

Supplement No. 5. Employees of operating department of Pullman Co.; wages, hours, and other conditions of employment.

Supplement No. 6. Duties and authority of Board of Railroad Wages and Working Conditions extended.

Supplement No. 6-A. Application for interpretation of wage order.

Supplement No. 7. Rates of pay and rules for overtime and working conditions for all clerical forces in all departments and for certain employees in stations, storage or terminal warehouses, docks, storehouses, shops, and yards are hereby ordered (superseding G. O. No. 27, and in lieu thereof, as to employees herein named).

Interpretation No. 1 to Supplement No. 7 to General Order No. 27.

Overtime monthly, weekly, or daily paid employees.

Interpretation No. 2 to Supplement No. 7 to General Order No. 27.

Employees paid on a tonnage or piece-work basis, earning in excess of 43 cents per hour; rates of pay.

Supplement No. 8. Rates of pay and rules for overtime and working conditions for employees in maintenance of way department (except mechanics and helpers where provided for in Sup. No. 4, G. O. No. 27, and clerical forces).

Interpretation No. 1 to Supplement No. 8. Overtime monthly, weekly, or daily paid employees.

Interpretation No. 2 to Supplement No. 8. House and bridge carpenters—rates of pay.

Supplement No. 9. Additional duties of railroad wages and working conditions.

27—Continued.

Supplement No. 10. Rates of pay, rules for overtime, and working conditions for telegraphers, telephone operators (except switchboard operators), agent telegraphers, agent telephoners, towerman, leverman, tower and train directors, block operators, and staffmen are hereby ordered (superseding G. O. No. 27 and in lieu thereof).

Supplement No. 11. Rates of pay, rules for overtime, and working conditions for certain employees.

Supplement No. 12. Rates of pay, rules for overtime, and duties of passenger brakemen or flagmen.

Supplement No. 13. Rates of pay, rules for overtime, and working conditions for telegraphers, telephone operators (except switchboard operators), agents, agent telegraphers, agent telephoners, towermen, levermen, tower and train directors, block operators, and staffmen hereby ordered (superseding G. O. No. 27 its Sups. Nos. 10 and 11 and in lieu thereof).

Interpretation No. 1. Approval of recommendation of Railroad Board of Adjustment No. 1, in matter of construction of General Order No. 27, relating to bases of pay for yard engineers, yard firemen, yard conductors or foremen, and yard brakemen or helpers.

Interpretation No. 2. Pay bases to be observed in application of rates of pay under General Order No. 27—All persons employed in any capacity, and receiving less than \$250.00 per month in salary, will receive increases named in General Order No. 27 unless specifically excluded therein.

Interpretation No. 3 to General Order No. 27 and to Supplement No. 4, Addenda Nos. 1 and 2, Interpretation No. 1 and Amendment No. 1 thereto. Method of applying increases to pieceworkers.

Interpretation No. 4. Back pay claim.

Interpretation No. 5. Increase of salary claim.

Interpretation No. 6. Station agent on a certain railroad claims the service he renders is not special service and that he is entitled to an increase under General Order No. 27—decision.

Interpretation No. 7. Assistant passenger ticket agent's claim for increase granted.

28. Increased passenger and freight rates.

Supplement. Increased passenger and freight rates.

29. Railway Board of Adjustment No. 2.

30. Settlement of interroad bills and accounts.

31. Rules and regulations governing accounting for use of equipment or facilities.

32. June 29, 1918, apportionment of passenger revenues.

33. Appointment of G. A. Tomlinson as Federal manager New York and New Jersey Canals.

34. Sale of refused and unclaimed perishable and nonperishable freight.

34-A. Carload and less than carload perishable freight to be sold at auction if unclaimed after 60 days.

35. Appointment of M. J. Sanders Federal manager Mississippi and Warrior Waterways.

36. Premiums on Fidelity bonds to be charged to operating expenses.

37. Duties of Federal treasurers.

- 37-A. Revision of General Order No. 37.
- 38. Shipping designation for Government shipments.
- 39. Sale of liquors and intoxicants in dining cars, restaurants, and railroad stations under Federal control shall be discontinued immediately.
- 40. Complaints of lack of consideration and courtesy to public.
- 41. Regulations governing disposition of interroad freight claims for loss and damage.
- 42. Elections, Federal and State—Political activity for railroad officials and employees prohibited.
 - Supplement No. 1. Modifications of rules regarding political activity of officials and employees.
- 43. Garnishment or attachment or like process.
- 44. Chief accounting officer in general charge of one or more accounting organizations of director general shall be designated "Federal auditor"—duties.
- 45. Daylight saving law—clocks to be turned back.
- 46. Safety of employees and travelers upon railroads.
- 47. Repairs to equipment.
- 48. Further modification of ruling regarding political activity of officials and employees of railroads (in lieu of and as a substitute for G. O. No. 42 and Sup. No. 1 thereto).
- 49. Standard forms of monthly ticket and excess baggage reports.
- 50. Lawsuits, specified—to be brought against William G. McAdoo, Director General of Railroads.
- 51. Seniority rights for employees who have entered military service of Army and Navy.
- 52. Carriers by water—rules and regulations governing transactions of—accounting.
- 53. Agreement between regional directors and certain organizations, providing for basis of compensation and regulations of employment.
- 54. Tribunal named for adjustment of certain disputes between American Railway Express Co. and its employees—Division of Labor of the United States Railroad Administration to deal with controversies.
- 55. Collection of transportation charges and disposition of overcharges, under-charges, and agency relief claims.
- 56. Increase of express operating revenues.
- 57. Rules governing the inspection, selection and coopering, or rejection of cars for bulk grain loading, the recording of loss of grain from car by leakage (if any) during transit, and the disposition of claims for loss and damage of grain.

GENERAL ORDERS ISSUED BY THE DIRECTOR GENERAL OF RAILROADS.

GENERAL ORDER No. 1.

WASHINGTON, D. C., December 29, 1917.

To all concerned:

Pursuant to the order of the President of the United States, through the Secretary of War, the undersigned, as Director General of Railroads, has taken possession and assumed control of certain transportation systems described in the proclamation of the President, of which proclamation and order officers, agents, and employees of said transportation systems are to take immediate and careful notice.

ALL EMPLOYEES TO CONTINUE.

In addition to the provisions therein contained it is, until further order, directed that—

1. All officers, agents, and employees of such transportation systems may continue in the performance of their present regular duties, reporting to the same officers as heretofore and on the same terms of employment.

2. Any officer, agent, or employee desiring to retire from his employment shall give the usual and seasonable notice to the proper officer to the end that there may be no interruption or impairment of the transportation service required for the successful conduct of the war and the needs of general commerce.

NATIONAL NEEDS PARAMOUNT.

3. All transportation systems covered by said proclamation and order shall be operated as a national system of transportation, the common and national needs being in all instances held paramount to any actual or supposed corporate advantage. All terminals, ports, locomotives, rolling stock, and other transportation facilities are to be fully utilized to carry out this purpose without regard to ownership.

4. The designation of routes by shippers is to be disregarded when speed and efficiency of transportation service may thus be promoted.

5. Traffic agreements between carriers must not be permitted to interfere with expeditious movements.

THROUGH ROUTINGS TO BE ESTABLISHED.

6. Through routes which have not heretofore been established because of short hauling or other causes are to be established and used whenever expedition and efficiency of traffic will thereby be promoted; and if difficulty is experienced in such through routing notice thereof shall, by carriers or shippers or both, be given at once to the director by wire.

7. Existing schedules or rates and outstanding orders of the Interstate Commerce Commission are to be observed, but any such schedules or rates or orders as may hereafter be found to conflict with the purposes of said proclamation or with this order shall be brought immediately by wire to the attention of the director.

W. G. McAdoo,
Director General of Railroads.

GENERAL ORDER No. 2.

WASHINGTON, D. C., December 29, 1917.

To the chief executive of the railroads:

Pursuant to the authority vested in me by the President of the United States in his proclamation of December 26, 1917, wherein it was stated that for purposes of accounting, possession and control of the railroads shall date from 12 o'clock midnight on December 31, 1917, you are notified that, until otherwise directed, no changes in the present methods of accounting as prescribed by the Interstate Commerce Commission will be required. The accounts of your respective companies shall be closed as of December 31, 1917, and opened as of January 1, 1918, in the same manner as they have heretofore been handled at the close of one fiscal period and the beginning of another, and in the same manner that you should have handled your accounts had the Government not taken possession and control.

WILLIAM G. McADOO,
Director General of Railroads.

GENERAL ORDER No. 3.

All carriers by railroad subject to the jurisdiction of the undersigned are hereby ordered and directed forthwith to publish and file, and to continue in effect until further order, tariffs effective January 21, 1918, wherein demurrage rules, regulations, and charges shall be changed so as to provide—

A. (1) Forty-eight hours (two days) free time for loading or unloading on all commodities.

(2) Twenty-four hours (one day) free time on cars held for any other purpose permitted by tariff.

B. Demurrage charges per car per day or fraction of a day until car is released, as follows: Three dollars for the first day, \$4 for the second day, and for each succeeding additional day the charge to be increased \$1 in excess of that for the preceding day until a maximum charge of \$10 per car per day shall be reached on the eighth day of detention beyond free time, the charge thereafter to be \$10 per car per day or fraction thereof. These charges will supersede all those named in existing tariffs applicable to domestic freight, and specifically contemplate the cancellation of all average-agreement provisions of existing tariffs.

No change is authorized hereby to be made in demurrage rules, regulations, and charges applying on foreign export freight awaiting ships at export points.

Upon my request, the Interstate Commerce Commission has issued Fifteenth Section Order No. 225, authorizing the filing of tariffs to accord with this order to become effective January 21, 1918, on one day's notice.

Carriers shall immediately file said tariffs with appropriate State commissions or other State authorities.

Dated at Washington this 5th day of January, 1918.

W. G. McADOO,
Director General of Railroads.

GENERAL ORDER NO. 4.

WASHINGTON, January 18, 1918.

For purposes of operation the railroads of the United States will be classified as Eastern Railroads, Southern Railroads, and Western Railroads, defined as follows:

Eastern Railroads.—The railroads in that portion of the United States north of the Ohio and Potomac Rivers and east of Lake Michigan and the Indiana-Illinois State line; also those railroads in Illinois extending into that State from points east of the Indiana-Illinois State line; also the Chesapeake & Ohio, the Norfolk & Western, and the Virginian Railways.

Southern Railroads.—All railroads in that portion of the United States south of the Ohio and Potomac Rivers and east of the Mississippi River except the Chesapeake & Ohio, Norfolk & Western, and the Virginian Railways; and also those railroads in Illinois and Indiana extending into those States from points south of the Ohio River.

Western Railroads.—All railroads not included in the above definitions and, broadly speaking, all railroads in the territory west of

Lake Michigan and of the Indiana-Illinois State line to the Ohio River and west of the Mississippi River from the Ohio River to the Gulf of Mexico excepting those railroads in Illinois included in Eastern territory and those railroads in Illinois and Indiana included in Southern territory, as above stated.

Mr. A. H. Smith, president of the New York Central, is appointed regional director, with office at New York, in charge of the operation of eastern railroads.

Mr. C. H. Markham, president of the Illinois Central, is appointed regional director, with office at Atlanta, in charge of the operation of southern railroads.

Mr. R. H. Aishton, president of the Chicago & North Western, is appointed regional director, with office at Chicago, in charge of the operation of western railroads.

Orders issued by the gentlemen named in their capacity as regional directors will be issued by authority of the Director General and will be respected accordingly.

W. G. McADOO,
Director General of Railroads.

GENERAL ORDER No. 5.

WASHINGTON, January 18, 1918.

Pursuant to the authority vested in me as Director General of Railroads by the President of the United States in his proclamation of December 26, 1917, I hereby create a Railroad Wage Commission and name as the members thereof, Franklin K. Lane, Secretary of the Interior; Charles C. McChord, member of the Interstate Commerce Commission; J. Harry Covington, Chief Justice of the Supreme Court of the District of Columbia, and William R. Willcox of New York.

It is ordered and directed that:

The commission shall make a general investigation of the compensation of persons in the railroad service, the relation of railroad wages to wages in other industries, the conditions respecting wages in different parts of the country, the special emergency respecting wages which exists at this time owing to war relation between different classes of railroad labor.

The commission shall begin its labors at once, and make report to the Director General, giving its recommendations in general terms as to changes in existing compensations that should be made.

Officers, agents, and employees of the railroads are directed to furnish to the Railroad Wage Commission upon request all information it may require in the course of its investigations.

W. G. McADOO,
Director General of Railroads.

GENERAL ORDER No. 6.

WASHINGTON, January 28, 1918.

To officers and directors of railroad companies:

During the period of possession, operation, and Government control of railroads, it is necessary that officers, directors, and agents of railroad companies be very careful in the handling of moneys and in the dealing with transportation matters. Without attempting at this time to give general directions, there are a few matters involving the expenditure of moneys for purposes having no direct relation to transportation, which should receive immediate attention; as well as the issuance of free transportation.

It is therefore ordered that the carriers' operating revenues shall not be expended:

1. For the payment of agents or other persons who are employed in any way to affect legislation.
2. For the employment of attorneys who are not actually engaged in the performance of necessary legal work for the company.
3. For the payment of the expenses of persons or agencies constituting associations of carriers unless such association is approved in advance by the Director General.
4. For any political purpose or to directly or indirectly influence the election of any person or an election affecting any public measure.

ISSUANCE OF FREE PASSES.

No passes or free transportation shall be issued by any carrier under Federal control or any official of such carrier unless the issuance of such free transportation is expressly authorized by the act of Congress entitled "An act to regulate commerce, approved February 4, 1887, and amendments thereto"; and any such passes or free transportation heretofore issued not in conformity with said act must be recalled.

This order applies to all carriers under Federal control, whether interstate or intrastate.

W. G. McADOO.
Director General of Railroads.

SUPPLEMENT No. 1 TO GENERAL ORDER No. 6.

WASHINGTON, March 26, 1918.

On the 28th day of January, 1918, General Order No. 6 was issued, prohibiting the issuance of free transportation except as expressly authorized by the act of Congress approved February 4, 1887, and amendments thereto.

The carriers, in obedience to said order, withdrew the passes or mileage books which had theretofore been issued pursuant to contracts for newspaper advertising, the issuance thereof interstate having been held unlawful by the Supreme Court of the United States (219 U. S., 486).

It later came to my attention that contracts for newspaper advertising to be paid for in transportation at a fixed rate had been made in various sections of the country; that mileage books had been issued pursuant to such contracts; and that the war tax thereon had been paid as required by law. It seemed to me important, therefore, that the legality of such contracts should be passed upon by the Interstate Commerce Commission. Accordingly this, and a number of other questions growing out of General Order No. 6, was referred by me to the Interstate Commerce Commission for consideration.

I am in receipt of its report, dealing only with this question, in which it is said:

In view of the circumstances * * * we are inclined to suggest the advisability of modification of the Director General's Order No. 6 to the extent of permitting a continuance of contracts already made for the exchange of intrastate passenger transportation for advertising to the termination of such contracts, but in no instance beyond the end of the current calendar year. We recommend such modification of the order, but suggest that in connection therewith it be made entirely clear that it applies only to contracts now in effect, and which are not repugnant to State requirements; that it authorizes only completion of such contracts which expire prior to the end of the present calendar year, and a continuance only to the end of the year of any which may by their terms terminate at a later date. It should also, we think, be made clear that transportation issued under such contract may not be used in connection with other transportation on any interstate journey.

It is therefore ordered that the said General Order No. 6 be, and the same is, modified accordingly, and the carriers will be permitted to recognize the validity of said contracts and honor transportation to the extent recommended by said commission.

W. G. McADOO,
Director General of Railroads.

SUPPLEMENT NO. 2 TO GENERAL ORDER NO. 6.

WASHINGTON, December 31, 1918.

On January 28, 1918, General Order No. 6 was issued prohibiting the issuance of free transportation, except as authorized by the act of Congress approved February 4, 1887, and amendments thereto.

Question having arisen as to the application of said order to contracts between the carriers and newspaper publishers providing for an exchange of intrastate railroad transportation for advertising, the order was supplemented on March 26, 1918, to permit the continuance

of such contracts to the end of the present calendar year. The authority to renew such contracts to cover the legitimate advertising requirements of the carriers, where not repugnant to State requirements, is hereby extended for the year 1919. Contracts executed under this authority shall provide—

First. That the rates charged thereunder by the newspaper publishers shall not exceed their usual commercial rates.

Second. That the value of the transportation provided by the carriers shall be computed on the basis of the normal tariff fare for one-way tickets.

Third. That transportation so issued shall not be used upon any part of an interstate journey.

W. G. McAdoo,
Director General of Railroads.

GENERAL ORDER No. 7.

All carriers by railroads, subject to the jurisdiction of the undersigned, are hereby ordered and directed forthwith to publish and file, and to continue in effect until further order, tariffs in the form shown in the attached appendix, effective February 10, 1918, wherein demurrage rules, regulations, and charges shall be changed so as to provide:

A. (1) Forty-eight hours (two days) free time for loading or unloading on all commodities.

(2) Twenty-four hours (one day) free time on cars held for any other purpose permitted by tariff.

B. That the average agreement rule be permitted, but that it apply solely to cars held for unloading.

C. That under the average rule the number of days on which debits accrue be made four instead of five.

D. That the demurrage charge on all cars, after the expiration of the free time allowed, be \$3 for each of the first four days, \$6 for each of the next three days, and \$10 for each succeeding day.

E. That the bunching rule be reinstated with the following change in paragraph 2:

Cars for unloading or reconsigning.—When, as the result of the act or neglect of any carrier, cars originating at the same point or at intermediate points moving via the same route and destined for one consignee, at one point, are bunched at originating point, in transit, or at destination, and delivered by the carrier in accumulated numbers in excess of daily shipments, the consignee shall be allowed such free time as he would have been entitled to had the cars been delivered in accordance with the daily rate of shipment. Claim to be presented to carriers' agent within fifteen (15) days.

These charges will supersede all those named in any existing tariffs applicable to carload freight except:

1. Cars loaded with live stock.
 2. Empty cars placed for loading coal at mines or mine sidings or coke at coke ovens and cars under load at mines or mine sidings or coke at coke ovens.
 3. Foreign export freight awaiting ships at ports.
 4. Coal for transshipment at tidewater or lake ports.
 5. Empty private cars stored on railroad or private tracks, provided such cars have not been placed or tendered for loading on the orders of a shipper.
- and specifically contemplate the cancellation of all conflicting provisions of existing tariffs.

Upon my request the Interstate Commerce Commission has issued Fifteenth Section Order No. 300, authorizing the filing of tariffs to accord with the appendix hereto and to become effective February 10, 1918, on one day's notice.

Carriers shall immediately file said tariffs with appropriate State commissions or other State authorities.

Order No. 3 is hereby withdrawn and canceled.

Washington, D. C., January 29, 1918.

W. G. McAdoo,

Director General of Railroads.

APPENDIX TO ORDER NO. 7 OF THE DIRECTOR GENERAL OF RAILROADS—
NATIONAL CAR DEMURRAGE RULES.

EFFECTIVE FEBRUARY 10, 1918.

CHANGES—INCREASES.

RULES.

RULE 1.—*Cars subject to rules.*

Cars held for or by consignors or consignees for loading, unloading, forwarding directions, or for any other purpose, are subject to these demurrage rules, except as follows:

INSTRUCTIONS AND EXPLANATIONS.

To RULE 1.—*Cars subject to rules.*

Cars loaded with company material for use of and consigned to the railroad in whose possession the cars are held are not subject to demurrage, and shall not be reported by agents unless specifically instructed so to do.

Empty cars placed for loading with company material are subject to demurrage, unless the loading is done by the railroad company for which the material is intended and on its tracks.

SECTION A.—Empty cars placed for loading live stock by shippers are not exempt and should be reported.

Live poultry is not considered as live stock, and cars so loaded are subject to demurrage.

SECTION A.—Cars loaded with live stock.

SECTION B.—Empty cars placed for loading coal at mines or mine sidings, or coke at coke ovens, and cars under load with coal at mines or mine sidings, or coke at coke ovens.

NOTE.—Delay to cars specified in Section B will be regulated by proper Car Distribution Rules.

SECTION C.—Empty private cars stored on carrier's or private tracks, provided such cars have not been placed or tendered for loading on the orders of a shipper.

NOTE.—Private cars while in railroad service, whether on carrier's or private tracks, are subject to these demurrage rules to the same extent as cars of railroad ownership.

(Empty private cars are in railroad service from the time they are placed by the carrier for loading or tendered for loading on the orders of a shipper. Private cars under lading are in railroad service until the lading is removed and cars are regularly released. Cars which belong to an industry performing its own switching service are in railroad service from the time they are placed by the industry upon designated interchange tracks and thereby tendered to the carrier for movement. If such cars are subsequently returned empty they are out of service when withdrawn by the industry from the interchange; if returned under load, railroad service is not at an end until the lading is duly removed.)

RULE 2.—Free time allowed.

SECTION A.—Forty-eight hours' (two days) free time will be allowed for loading or unloading on all commodities.

NOTE.—If a consignee wishes his car held at any break-up yard or a hold-yard before notification and placement, such car will be subject to demurrage. That is to say, the time held in the break-up yard will be included within the 48 hours of free time. If he wishes to exempt his cars from the imposition of demurrage he must either by general orders given to the carrier or by specific orders as to incoming freight notify the carrier of the track upon which he wishes his freight placed, in which event he will have the full 48 hours' free time from the time when the placement is made upon the track designated.

SECTION C.—Empty private cars stored on tracks switched by carriers, taken for loading without order or requisition from shipper, and without formal assignment by carrier's agent, shall be recorded as placed for loading when actual loading is begun.

NOTE.—Private cars belonging to an industry which does its own switching, placed upon an interchange track for forwarding and refused by the carrier's inspector, shall be released from demurrage if withdrawn by the industry from the interchange track within twenty-four (24) hours after rejection.

Private cars are not in railroad service—
(a) When loaded and unloaded on the tracks of the owner and not moved over the tracks of a carrier.

(b) When placed by the carrier for loading on the tracks of the owner and refused by the inspector.

To RULE 2.—Free time allowed.

SECTION A.—When the same car is both unloaded and reloaded, each transaction will be treated as independent of the other. This will also apply to industries performing their own switching service, in which case the industry must notify the carrier date and time car was unloaded.

SECTION B.—Twenty-four hours' (one day) free time will be allowed—

1. When cars are held for switching orders.

NOTE.—Cars held for switching orders are cars which are held by a carrier to be delivered to a consignee within switching limits and which when switched become subject to an additional charge for such switching movement.

2. When cars are held for reconsignment or reshipment in same car received.

NOTE.—A reconsignment is a privilege permitted by tariff under which the original consignee has the right of diversion. In event of the presence of such a privilege in the tariff 24 hours' free time is allowed for the exercise of that privilege by the consignee. A reshipment under this rule is the making of a new contract of shipment by which under a new rate the consignee forwards the same car to another destination.

3. When cars destined for delivery to or for forwarding by a connecting line are held for surrender of bill of lading or for payment of lawful freight charges.

4. When cars are held in transit and placed for inspection or grading. At stations where grain and hay must be inspected or graded, the consignee agreeing with the carrier in writing, for file at the station, to accept the bulletining of the cars as due and adequate notice of arrival, the bulletins must be posted by 9 a. m. of each day, showing the previous twenty-four (24) hours' receipts, and the free time (twenty-four hours) is to be calculated from the first 7 a. m. thereafter. Where there is no agreement for bulletining of cars, the free time must be calculated from the first 7 a. m. after the day on which notice of arrival is sent or given to the consignee.

5. When cars are stopped in transit to complete loading, to partly unload, or to partly unload and partly reload (when such privilege of stopping in transit is allowed in the tariffs of the carriers).

6. On cars containing freight in bond for customs entry and Government inspection.

SECTION B.—1. Applies to cars held on this railroad for disposition. (See Section B-2.)

SECTION B.—2. Applies to cars held in transit for reconsignment or on order of consignor or consignee. (See Rules 3, Section B, and 4, Section B.) A change of consignee after arrival of car at destination is not a reconsignment under these rules unless a diversion provided by tariff is involved.

SECTION C.—Cars containing freight for transshipment to vessel will be allowed such free time at the port as may be provided in the tariffs of the carriers.

RULE 3.—*Computing time.*

NOTE.—In computing time, Sundays and legal holidays (national, States, and municipal) will be excluded, except as otherwise provided in Section A of Rule 9. When a legal holiday falls on a Sunday, the following Monday will be excluded.

SECTION A.—On cars held for loading, time will be computed from the first 7 a. m. after placement on public-delivery tracks. See Rule 6 (Cars for Loading).

SECTION B.—1. On cars held for orders, time will be computed from the first 7 a. m. after the day on which notice of arrival is sent or given to the consignee.

2. When orders for cars held for disposition or reconsignment are mailed, such orders will release cars at 7 a. m. of the date orders are received at the station where the freight is held, provided the orders are mailed prior to the date received, but orders mailed and received on the same date release cars the following 7 a. m.

SECTION C.—On cars held for unloading, time will be computed from the first 7 a. m. after placement on public-delivery tracks, and after the day on which notice of arrival is sent or given to consignee.

SECTION D.—On cars to be delivered on any other than public-delivery tracks, time will be computed from the first 7 a. m. after actual or constructive placement on such tracks. See Rule 4 (Notification) and Rules 5 and 6 (Constructive Placement).

NOTE.—"Actual placement" is made when a car is placed in an accessible position for loading or unloading or at a point previously designated by the consignor or consignee.

SECTION E.—On cars to be delivered on interchange tracks of industrial plants performing their own switching service, time will be com-

TO RULE 3.—*Computing time.*

NOTE.—The exemption of holidays does not include half holidays.

SECTION B.—Agents will in all cases attach to orders received by mail the envelope inclosing such orders, that there may be on file a record of release.

puted from the first 7 a. m. following actual or constructive placement on such interchange tracks until return thereto. See Rule 4 (Notification) and Rules 5 and 6 (Constructive Placement). Cars returned loaded will not be recorded released until necessary billing instructions are given.

RULE 4.—Notification.

SECTION A.—Notice shall be sent or given consignee by carrier's agent in writing, or as otherwise agreed to by carrier and consignee, within twenty-four hours after arrival of cars and billing at destination, such notice to contain point of shipment, car initials and numbers, and the contents, and, if transferred in transit, the initials and number of the original car. In case car is not placed on public-delivery track within twenty-four hours after notice of arrival has been sent or given, a notice of placement shall be sent or given to consignee.

SECTION B.—When cars are ordered stopped in transit notice shall be sent or given the party ordering the cars stopped upon arrival of cars at point of stoppage.

SECTION C.—Delivery of cars upon private or industrial interchange tracks, or written notice sent or given to consignee of readiness to so deliver, will constitute notification thereof to consignee.

SECTION D.—In all cases where notice is required the removal of any part of the contents of a car by the consignee shall be considered notice thereof to the consignee.

TO RULE 4.—Notification.

Agents are cautioned that, in order to be legal, notices of the arrival of cars must be in writing, and must contain all of the items of information specified by this rule. An impression copy should be retained, and when notice is sent or given on a postal card the impression should be of both sides. If delivered by messenger, a receipt should be taken for the notice when practicable, in order to avoid possibilities of dispute.

In many cases it is desirable for both consignee and carrier that notices be given in some other way, especially by telephone, but such notices are not legal under this rule except when "agreed to by carrier and consignee." In case consignees desire or will accept some notice other than the written notice, agents will require a written request from them to that effect, and this request, agreed to by the agent, must be retained on file in order to legalize the notice. Where the telephone form of notice is adopted, the agent should require the name of the receiver of the message when the notice is given. In the absence of specific agreements to the contrary, however, agents must not fail to send or give the regular written notice required by this rule. When consignee is notified through medium of United States mail, a record shall be kept of the date and hour each notice by United States mail is deposited in United States mail.

When address of consignee does not appear on billing and is not positively known, the notice of arrival must be addressed to the billed destination of

the shipment and deposited in United States mails (in such case preferably inclosed in two-cent stamped envelope bearing return address, same to be preserved on file if returned). See Rule 3, Section B and Section C.

Attention is also directed to the fact that when cars are for delivery to public-team tracks, and placement is delayed for more than twenty-four (24) hours after notice of arrival is sent or given, a notice of placement must also be given to the consignee, and the free time for unloading computed according to the notice of placement.

RULE 5.—*Placing cars for unloading.*

SECTION A.—When delivery of cars consigned or ordered to any other than public-delivery tracks or to industrial interchange tracks can not be made on account of the act or neglect of the consignee, or the inability of the consignee to receive, delivery will be considered to have been made when the cars were tendered. The carriers' agent must send or give the consignee written notice of all cars he has been unable to deliver because of the condition of the private or interchange tracks, or because of other conditions attributable to consignee. This will be considered constructive placement. See Rule 4 (Notification).

SECTION B.—When delivery can not be made on specially designated public-delivery tracks on account of such tracks being fully occupied, or from other cause beyond the control of the carrier, the carrier shall send or give the consignee notice in writing of its intention to make delivery at the nearest point available to the consignee, naming the point. Such delivery shall be made unless the consignee shall before delivery indicate a preferred available point, in which case the preferred delivery shall be made.

To **RULE 5.—*Placing cars for unloading.***

SECTION A.—This will apply to such cars as consignees located on switching line are unable to receive and which, for that reason, the switching line is unable to receive from carrier line. The carrier line will advise the switching line of point of shipment, car initials and number, contents and consignee, and if transferred in transit the initials and number of the original car; the switching line will notify consignee and put such cars under constructive placement.

RULE 6.—Cars for loading.

SECTION A.—Cars for loading will be considered placed when such cars are actually placed or held on orders of the consignor. In the latter case the agent must send or give the consignor written notice of all cars which he has been unable to place because of condition of the private track or because of other conditions attributable to the consignor. This will be considered constructive placement. See Rule 3, Section A (Computing Time).

SECTION B.—When empty cars, placed for loading on orders, are not used, demurrage will be charged from the first 7 a. m. after placing or tender until released, with no time allowance.

SECTION C.—Cars for loading are not released until loading is completed and proper billing instructions furnished.

SECTION D.—Cars received from switching lines and held by carrier lines for billing instructions are subject to demurrage charges from the first 7 a. m. after arrival on this railroad until billing instructions are received, with no free time allowance and without notice.

SECTION E.—If an empty car is appropriated without being ordered, it shall be considered as having been ordered and actually placed at the time so appropriated. If not loaded outbound, such car is subject to Section B of this rule.

RULE 7.—Demurrage charge.

SECTION A.—On cars not subject to rule 9 (average agreement): After the expiration of free time allowed, the following charges per car per day, or fraction of a day, will be made until car is released:

For each of the first four days, \$3.

For each of the next three days, \$6.

For each succeeding day, \$10.

SECTION B.—The charges on cars subject to average agreement are set forth in rule 9.

To RULE 7.—Demurrage charge.

(a) Charges accruing under these rules must be collected in the same manner and with the same regularity and promptness as other transportation charges, and agents will in like manner be held responsible for same.

(b) Freight upon which charges have accrued under these rules shall not be removed from railroad premises until charges thereon have been paid. When consignor or consignee refuses to pay, agent will hold freight

until payment is made and continue to charge until freight is removed; or, at his option, may send freight to public warehouses or yards, where the same will be held subject to storage charges and all other charges.

(c) When cars are detained on private or specifically designated tracks for unloading beyond the time allowed and demurrage charges are not promptly paid, agent must, upon advice to that effect from the ----*,

* NOTE.—“Demurrage manager” or official in charge of demurrage under the organization in effect on each road.

after sending or giving not less than five (5) days' written notice, decline to switch cars to private or specifically designated tracks for such parties, and thereafter tender freight from public-team tracks and collect all charges before delivery, until satisfactory guaranty is given that demurrage rules will be complied with.

(d) Charges that accrue while cars are held for loading, for receipt of billing instructions, or for reconsignment or distribution orders will be collected by agents of the forwarding line when such shipments are ordered to points within the switching limits. When charges accrue on shipments ordered or destined to points beyond switching limits, such charges should be collected by the agent of the forwarding line. Such charges may be billed forward as advances, providing the charges are guaranteed in writing and entered on the shipping tickets and bills of lading and exhibited on the waybills as “Demurrage charges, advanced and guaranteed.”

When demurrage charges accrue on cars held in transit by request of consignor or consignee, as agents can neither enter the charges on bills of lading nor obtain guaranty from consignor or consignee without unnecessary delay to the cars, the charges must either be billed forward as advances or separate bills made and charges collected from the party ordering the cars held.

RULE 8.—*Claims.*

No demurrage charges shall be collected under these rules for detention of cars through causes named below. Demurrage charges assessed or collected under such conditions shall be promptly canceled or refunded by the carrier.

CAUSES.

SECTION A.—Weather interference.

1. When the condition of the weather during the prescribed free time is such as to make it impossible to employ men or teams in loading or unloading, or impossible to place freight in cars, or to move it from cars, without serious injury to the freight, the free time shall be extended until a total of 48 hours free from such weather interference shall have been allowed.

2. When shipments are frozen while in transit so as to prevent unloading during the prescribed free time. This exemption shall not include shipments which are tendered to consignee in condition to unload. Under this rule consignee will be required to make diligent effort to unload such shipments, and shall not be entitled to additional time unless within the prescribed free time he shall serve upon the carrier's agent a written statement that the lading was frozen upon arrival.

3. When, because of high water or snowdrifts, it is impossible to get to cars for loading or unloading during the prescribed free time.

This rule shall not absolve a consignor or consignee from liability for demurrage if others similarly situated and under the same conditions are able to load or unload cars.

SECTION B.—Bunching.

1. *Cars for loading.*—When, by reason of delay or irregularity of the carrier in filling orders, cars are bunched and placed for loading in accumulated numbers in excess of daily orders, the shipper shall be allowed such free time for loading as he would have been entitled to had the cars been placed for loading as ordered.

To RULE 8.—*Claims.*

SECTION A.—1. When a consignor or consignee claims exemption under this rule, agents must obtain a written statement from him to the effect that the conditions were such as are set forth in the rule.

2. Cars for unloading or reconsigning.—When, as the result of the act or neglect of any carrier, cars originating at the same point or at intermediate points, moving via the same route and destined for one consignee, at one point, are bunched at originating point, in transit, or at destination, and delivered by this railroad in accumulated numbers in excess of daily shipments, the consignee shall be allowed such free time as he would have been entitled to had the cars been delivered in accordance with the daily rate of shipment. Claim to be presented to carrier's agent within fifteen (15) days.

SECTION C.—Demand of overcharge.

When the carrier's agent demands the payment of transportation charges in excess of tariff authority.

SECTION D.—Delayed or improper notice by carrier.—When notice has been sent or given in substantial compliance with the requirements as specified in these rules, the consignee shall not thereafter have the right to call in question the sufficiency of such notice unless within forty-eight hours from 7 a. m. following the day on which notice is sent or given, he shall serve upon the delivering carrier a full written statement of his objections to the sufficiency of such notice.

1. When claim is made that a mailed notice has been delayed the postmark thereon shall be accepted as indicating the date of the notice.

2. When a notice is mailed by carrier on Sunday, a legal holiday, or after 3 p. m. on other days (as evidenced by the postmark thereon) the consignee shall be allowed five hours additional free time, provided he shall mail or send to the carrier's agent, within the first twenty-four hours of free time, written advice that the notice had not been received until after the free time had begun to run; in case of failure on the part of con-

SECTION B.—2. When claim is made for exemption from demurrage on account of bunching of cars for unloading or reconsigning, as provided in this rule, agents will require written statement of all cars, with date and point of shipment of each, as evidenced by the bills of lading, if necessary, and forward same to the _____*, with report showing exemption demanded on account of such bunching.

SECTIONS C and E.—When demurrage should not be collected under these sections, agents will make report to the _____*, together with copy of billing and all information in their possession, showing where the error occurred.

***NOTE.**—"Demurrage manager" or official in charge of demurrage under the organization in effect on each road.

signee so to notify carrier's agent, no additional free time shall be allowed.

SECTION E.—Railroad errors which prevent proper tender or delivery.

Under this rule demurrage will be charged on the basis of the amount that would have accrued but for such errors. This also applies in the case of constructively placed cars being "run-around" by actually placing recent arrivals ahead of previous arrivals.

SECTION F.—*Delay by United States customs.*—Such additional free time shall be allowed as has been lost through such delay.

RULE 9.—*Average agreement.*

When a consignee enters into the following agreement, the charge for detention to cars, on all cars held for unloading by such consignee, shall be computed on the basis of the average time of detention to all such cars unloaded and released during each calendar month; such average detention and charge to be computed as follows:

SECTION A.—One credit will be allowed for each car unloaded and released within the first twenty-four (24) hours of free time. After the expiration of forty-eight (48) hours' free time, one debit per car per day, or fraction of a day, will be charged for each of the first four days. In no case shall more than one credit be allowed on any one car, and in no case shall more than four credits be applied in cancellation of debits accruing on any one car. When a car has accrued four debits, a charge of \$6 per car per day, or fraction of a day, will be made for each of the first three days thereafter, and for each succeeding day, or fraction of a day, the charge will be \$10. After a car has accrued four debits, the charges named herein will apply on all subsequent Sundays and legal holidays.

SECTION B.—At the end of the calendar month, the total number of credits will be deducted from the total number of debits and \$3 per debit will be

SECTION E.—See instructions under Section C.

TO RULE 9.—*Average agreement.*

Application for agreement provided for in Rule 9 will be forwarded to the _____*, and when executed instructions will be furnished the agent as to the method of reporting.

* NOTE.—"Demurrage manager" or official in charge of demurrage under the organization in effect on each road.

charged for the remainder. If the credits equal or exceed the debits, no charge will be made for the detention of the cars and no payment will be made to consignee on account of such excess of credits; nor shall the credits in excess of the debits of any one month be considered in computing the average detention for another month.

SECTION C.—A consignee who enters into this average agreement shall not be entitled to cancellation or refund of demurrage charges under Section A, paragraphs 1 and 3, or Section B of Rule 8.

SECTION D.—A consignee who enters into this average agreement may be required to give sufficient security to the carrier for the payment of balances against him at the end of each month.

AGREEMENT.

-----Rail----- Company:

Being fully acquainted with the terms, conditions, and effect of the average basis for settling for detention to cars as set forth in -----, being the car demurrage rules governing at all stations and sidings on the lines of said rail----- company, except as shown in said tariff, and being desirous of availing (myself or ourselves) of this alternate method of settlement (I or we) do expressly agree to and with the ----- Rail----- Company that with respect to all cars which may, during the continuance of this agreement, be handled for (my or our) account at ----- (Station) (I or we) will fully observe and comply with all the terms and conditions of said rules as they are now published or may hereafter be lawfully modified by duly published tariffs, and will make prompt payment of all demurrage charges accruing thereunder in accordance with the average basis as therein established or as hereafter lawfully modified by duly published tariffs.

This agreement to be effective on and after the ----- day of -----, 19--, and to continue until terminated by written notice from either party

to the other which notice shall become effective on the first day of the month succeeding that in which it is given.

Approved and accepted -----,
19--, by and on behalf of the above-named rail----- company by

SUPPLEMENT NO. 1 TO GENERAL ORDER NO. 7.

WASHINGTON, D. C., September 28, 1918.

It is ordered that Order No. 7 be, and the same is hereby, supplemented by amending the provisions of the appendix attached thereto in the manner and to the extent shown in the appendix hereto attached.

It is further ordered that the tariffs be reissued as amended by this supplement, effective October 15, 1918, by publishing and filing with the Interstate Commerce Commission on not less than five days' notice the tariffs to bear the following legend:

This schedule is published and filed with the Interstate Commerce Commission under General Order No. 7 of the Director General, United States Railroad Administration, dated January 29, 1918, and the supplement thereto dated the 28th day of September, 1918, and is applicable to both interstate and intrastate traffic.

Given under my hand this 28th day of September, 1918.

W. G. McADOO,
Director General of Railroads.

APPENDIX TO SUPPLEMENT NO. 1 TO GENERAL ORDER NO. 7.

NATIONAL CAR DEMURRAGE RULES.

RULE 1.—Section C together with instructions, explanations, and the notes published in connection therewith are amended to read as follows:

RULES.

INSTRUCTIONS AND EXPLANATIONS.

SECTION C-1.—Private cars on private tracks when the ownership of the car and track is the same.

SECTION C-1.—Private cars while held under constructive placement for delivery upon the tracks of their owners are subject to demurrage charges after expiration of forty-eight hours' free time. (See Rules 5 and 6.)

DEFINITIONS.

Private car.—A car having other than railroad ownership. A lease of a car is equivalent to ownership. Private cars must have the full name of owner painted or stenciled thereon or must be loaded with full name of owner or lessee.

Private track.—A track outside of carrier's right of way, yard, and terminals, and of which the carrier does not own either the rails, ties, roadbed, or right of way; or a track or portion of a track which is devoted to the purposes of its user either by lease or written agreement.

SECTION C-2.—Empty private cars stored on carrier's or private tracks, provided such cars have not been placed or tendered for loading on the orders of a shipper.

NOTE.—Except as otherwise provided in paragraph 1: (a) Private cars while in railroad service, whether on carrier's or private tracks, are subject to these demurrage rules to the same extent as cars of railroad ownership; (b) empty private cars are in railroad service from the time they are placed by the carrier for loading or tendered for loading on the orders of a shipper. Private cars under lading are in railroad service until the lading is removed and cars are regularly released.

SECTION C-2.—Empty private cars stored on tracks not owned by the owners of such cars, and switched by carriers, taken for loading without order or requisition from shipper, and without formal assignment by carrier's agent, shall be recorded as placed for loading when actual loading is begun.

Private cars which have been loaded on the tracks of their owners, received from such tracks and held by this railroad for forwarding directions, are subject to demurrage charges from the first 7 a. m. after they are received until proper forwarding directions are furnished with no free time allowance and without notice.

RULE 5.—Section A together with instructions and explanations published in connection therewith are amended to read as follows:

RULES.

RULE 5.—Placing cars for unloading.

SECTION A.—When delivery of a car consigned or ordered to an industrial interchange track or to other than a public delivery track can not be made on account of the inability of the consignee to receive it, or because of any other condition attributable to the consignee, such car will be held at destination or, if it can not be reasonably accommodated there, at the nearest available hold point, and written notice that the car is held and that this railroad is unable to deliver will be sent or given to the consignee. This will be considered constructive placement.

Under this rule any railroad delay in making delivery shall not be computed against the consignee.

INSTRUCTIONS AND EXPLANATIONS.

SECTION A.—This will apply to such cars as consignees located on switching line are unable to receive and which, for that reason, the switching line is unable to receive from carrier line. The carrier line will advise the switching line of point of shipment, car initials and number, contents and consignee, and if transferred in transit the initials and number of the original car; the switching line will notify consignee and put such cars under constructive placement.

Rule 9 together with instructions, explanations, and the notes published in connection therewith are amended to read as follows:

When a consignee enters into the following agreement, the charge for detention to cars, on all cars (except cars subject to Rule 1, section C, paragraph 1) held for unloading by such consignee, shall be computed on the basis of the average time of detention to all such cars unloaded and released during each

Application for agreement provided for in Rule 9 will be forwarded to the¹ and when executed instructions will be furnished the agent as to the method of reporting.

¹ NOTE.—“Demurrage manager” or official in charge of demurrage under the organization in effect on each road.

calendar month; such average detention and charge to be computed as follows:

SECTION A.—One credit will be allowed for each car unloaded and released within the first twenty-four (24) hours of free time. After the expiration of forty-eight (48) hours' free time, one debit per car per day, or fraction of a day, will be charged for each of the first four days. In no case shall more than one credit be allowed on any one car, and in no case shall more than four credits be applied in cancellation of debits accruing on any one car. When a car has accrued four debits a charge of \$6 per car per day, or fraction of a day, will be made for each of the first three days thereafter, and for each succeeding day, or fraction of a day, the charge will be \$10. After a car has accrued four debits, the charges named herein will apply on all subsequent Sundays and legal holidays.

SECTION B.—At the end of the calendar month, the total number of credits will be deducted from the total number of debits and \$3 per debit will be charged for the remainder. If the credits equal or exceed the debits, no charge will be made for the detention of the cars and no payment will be made to consignee on account of such excess of credits; nor shall the credits in excess of the debits of any one month be considered in computing the average detention for another month.

SECTION C.—A consignee who enters into this average agreement shall not be entitled to cancellation or refund of demurrage charges under section A, paragraphs 1 and 3, or section B of Rule 8.

SECTION D.—A consignee who enters into this average agreement may be required to give sufficient security to the carrier for the payment of balances against him at the end of each month.

AGREEMENT.

.....*Rail.....Company:*

Being fully acquainted with the terms, conditions, and effect of the average basis for settling for detention

to cars as set forth in , being the car demurrage rules governing at all stations and sidings on the lines of said rail company, except as shown in said tariff, and being desirous of availing (myself or ourselves) of this alternate method of settlement (I or we) do expressly agree to and with the Rail company that with respect to all cars which may, during the continuance of this agreement, be handled for (my or our) account at (Station) (I or we) will fully observe and comply with all the terms and conditions of said rules as they are now published or may hereafter be lawfully modified by duly published tariffs, and will make prompt payment of all demurrage charges accruing thereunder in accordance with the average basis as therein established or as hereafter lawfully modified by duly published tariffs.

This agreement to be effective on and after the _____ day of _____, 19_____, and to continue until terminated by written notice from either party to the other, which notice shall become effective on the first day of the month succeeding that in which it is given.

Approved and accepted _____, 19_____, by and on behalf of the above-named rail _____ company by

GENERAL ORDER No. 8.

WASHINGTON, February 21, 1918.

To correct wrong impressions that may exist regarding the employment and conditions of labor in railway service, it is,

Until further order directed that:

1. All acts of Congress to promote the safety of employees and travelers upon the railroads, including acts requiring investigation of accidents on railroads, and orders of the Interstate Commerce Commission made in accordance therewith, must be fully complied with. These acts and orders refer to hours of service, safety appliances, and inspection.

Now that the railroads are in the possession and control of the Government, it would be futile to impose fines for violations of said

laws and orders upon the Government, therefore it will become the duty of the Director General in the enforcement of said laws and orders to impose punishments for willful and inexcusable violations thereof upon the person or persons responsible therefor, such punishment to be determined by the facts in each case.

2. When the exigencies of the service require it, or when a sufficient number of employees in any department are not available to render the public prompt transportation service, employees will be required to work a reasonable amount of overtime. So far as efficient and economic operation will permit, excessive hours of employment will not be required of employees.

3. The broad question of wages and hours will be passed upon and reported to the Director General as promptly as possible by the present Railroad Wage Commission. Pending a disposition of these matters by the Director General, all requests of employees involving revisions of schedules or general changes in conditions affecting wages and hours, will be held in abeyance by both the managers and employees. Wages when determined upon, will be made retroactive to January 1, 1918, and adjusted accordingly. Matters of controversy arising under interpretations of existing wage agreements and other matters not relating to wages and hours will take their usual course, and in the event of inability to reach a settlement will be referred to the Director General.

4. In Order No. 1, issued December 29, 1917, the following appeared:

All officers, agents, and employees of such transportation system *may* continue in the performance of their present regular duties, reporting to the same officers as heretofore and on the same terms of employment.

The impression seems to exist on some railroads that the said order was intended to prevent any change in the terms of employment during governmental operation. The purpose of the order was to confirm all terms of employment existing upon that date, but subject to subsequent modifications deemed advisable for the requirements of the service. Any contrary impression or construction is erroneous. Officers and employees will be governed by the construction here given.

5. No discrimination will be made in the employment, retention, or conditions of employment of employees because of membership or nonmembership in labor organizations.

The Government now being in control of the railroads, the officers and employees of the various companies no longer serve a private interest. All now serve the Government and the public interest only. I want the officers and employees to get the spirit of this new era. Supreme devotion to country, an invincible determination to perform the imperative duties of the hour while the life of the

Nation is imperiled by war, must obliterate old enmities and make friends and comrades of us all. There must be cooperation, not antagonism; confidence, not suspicion; mutual helpfulness, not grudging performance; just consideration, not arbitrary disregard of each other's rights and feelings; a fine discipline based on mutual respect and sympathy; and an earnest desire to serve the great public faithfully and efficiently. This is the new spirit and purpose that must pervade every part and branch of the national railroad service.

America's safety, America's ideals, America's rights are at stake. Democracy and liberty throughout the world depend upon America's valor, America's strength, America's fighting power. We can win and save the world from despotism and bondage only if we pull together. We can not pull apart without ditching the train. Let us go forward with unshakable purpose to do our part superlatively. Then we shall save America, restore peace to a distracted world, and gain for ourselves the coveted distinction and just reward of patriotic service nobly done.

W. G. McADOO,
Director General of Railroads.

GENERAL ORDER No. 9.

WASHINGTON, D. C., February 23, 1918.

With reference to officers whose salaries are chargeable to operating expenses, it is hereby ordered:

1. A carrier shall not create an additional office or fill a vacancy in an existing office, except when such step is necessary to the operation of the railroad under the existing conditions of Government possession and control. In cases of doubt, application, with statement of salary proposed, may be made through the Regional Director for the Director General's approval.

2. A carrier shall not fill a vacancy in office of or above the grade of general manager or create such an office without the approval of the Director General. Application with statement of salary proposed may be made through the regional director for the Director General's approval.

3. With reference to general officers and division officers (according to I. C. C. classification of steam railway employees) receiving \$3,000 or more and less than \$10,000 per year, each carrier shall make to the regional director a monthly report showing increase in salaries, appointments (showing salaries therefor) to fill vacancies, and the creation of new positions (showing salaries therefor), beginning with the month of January, 1918.

4. With reference to such general officers and division officers receiving \$10,000 or more per year, such monthly report shall be made in duplicate, and one duplicate shall be sent to the Regional Director and the other duplicate to the Director General.

W. G. McADOO,
Director General of Railroads.

GENERAL ORDER No. 10.

WASHINGTON, D. C., March 14, 1918.

Each and every carrier subject to Federal control shall, prior to May 1, 1918, commence taking an inventory of its materials and supplies by actual count, measurement, weight, etc., and shall immediately upon completion thereof adjust such inventory, by additions and deductions, to December 31, 1917; provided, however, that any such carrier that has taken an inventory of its materials and supplies in the form indicated within 90 days prior to December 31, 1917, or subsequent to the latter date, shall not be required to take an additional inventory, but shall adjust the inventory previously taken, by additions and deductions, to December 31, 1917.

The said inventory shall be preserved in the files of the carrier.

W. G. McADOO,
Director General of Railroads.

GENERAL ORDER No. 11.

FOR THE ADOPTION OF UNIVERSAL INTERLINE WAYBILLING AND STANDARD FORMS.

WASHINGTON, D. C., March 16, 1918.

To chief executive officers of carriers subject to Federal control:

1. Effective May 1, 1918, all freight forwarded from one point in the United States to another point in the United States (including freight passing through Canada or Mexico en route), and moving over two or more railroads or boat lines under Federal control, must be waybilled through from point of origin to destination, regardless of the absence of joint rates. When destination station is on a railroad not under Federal control, freight should be waybilled to the junction point with such road; provided, however, that nothing in this paragraph shall prohibit through waybilling arrangements between carriers now under Federal control and others not so controlled.

2. A separate waybill must be made for each less carload consignment and for each carload; provided, however, that a single waybill

may be made to cover a special train moving at a lump-sum charge for the train or for shipments which, on account of their length, require more than one car.

3. Waybills for carload freight must move with the cars. Waybills for less carload freight must be moved with the cars when practicable; otherwise so as to reach the transfer point or destination station with or in advance of the cars. In the event that waybills for solid cars of less carload freight are mailed direct to destination or transfer stations, a separate waybill must be made on standard form, showing destination of car, and bearing notation:

Merchandise car, waybills
mailed to _____

Junction agents must show stamps on this waybill in the same manner as provided in paragraph 4.

4. Complete routing must be specified on each waybill as and when made, in the space provided therefor. Each forwarding junction agent, at points of interchange, must stamp each waybill for freights interchanged in the space at the bottom of the waybill and in the order there shown. Such stamps must show the station at which the interchange is made and the name of the railroad forwarding the freight from such junction, for example:

Jamestown,
North & South R. R.
(Stamp must be $1\frac{1}{2}$ inches by $\frac{3}{8}$ inch.)

5. When freight moves on a joint through rate, each waybill must show freight charges from point of origin to destination.

6. Freight moving on a combination of rates:

(a) If the billing agent is in possession of all necessary tariffs, the rate and freight charges to and beyond the rate-breaking points must be shown successively, one beneath the other, and the total of all freight charges indicated. For example, the rate and freight charges on a shipment from New York, N. Y., to Denver, Colo., will appear as follows:

	Weight.	Rate.	Freight.
To Mississippi River.....	200	\$1.055	\$2.11
Mississippi River to Denver.....		1.62	3.24
Total.....			5.35

(b) If the billing agent is not in possession of the rates beyond the rate-breaking point, the waybill must be headed to destination, and

the rate and freight charges shown to the rate-breaking point, with the movement beyond indicated. For example:

	Weight.	Rate.	Freight.
To Mississippi River.....	200	\$1.055	\$2.11
Mississippi River to Denver.....			

In this case the billing agent will stamp or indorse waybill as follows:

Shipment not rated through.
Junction or destination agent
will insert charges omitted.

(Stamp, if used, must be $1\frac{1}{2}$ inches by $\frac{3}{8}$ inch.)

(c) The junction receiving agent must revise rates on inbound billing to the rate-breaking point, insert the divisions of revenue accruing to the roads up to the rate-breaking point, and certify to their correctness, by use of an appropriate rubber stamp reading as follows:

Revised at _____
North & South R. R.
(Stamp must be $1\frac{1}{2}$ inches by $\frac{3}{8}$ inch.)

(d) Agents forwarding shipments from rate-breaking points must insert rates and freight charges applicable to destination or to the next rate-breaking point. If in any case this plan is not practicable, arrangements may be made to have such rates and charges inserted by destination agents.

7. When miscellaneous charges of any character accrue in transit, and they are to be collected from consignee, they should be shown as separate items in the freight charges column on waybills, with notation opposite each item indicating the nature of the charge, the point at which it accrued, and the road to which due. In final settlement, such charges will be allowed as an arbitrary to carrier to which they are due.

8. A standard form of waybill (sample attached) is hereby prescribed and must be used on and after May 1, 1918.

(a) This waybill form must be printed on paper approximating in weight "80 pounds No. 1 Manila, 24 by 36."

(b) Only the original and one copy of waybill shall be made. The original must accompany the shipment as herein provided and the copy must be retained by the company making the waybill.

(c) This waybill shall also be used for astray freight.

(d) This waybill is designed to be folded vertically, and left side containing all information for the physical movement of the car.

(e) For special classes of traffic, requiring a larger waybill, the form may be $8\frac{1}{2}$ by 22 inches.

(f) Supplies of waybill forms now on hand may be used for local business.

9. The plan of audit-office settlement recommended by the Association of American Railway Accounting Officers, as outlined in that association's 1917 synopsis—paragraphs 16, 17, 18, 28, 29, and 30 shall govern. This plan requires that destination carriers shall make settlement with each of the carriers in interest for its proportion of revenue.

10. The total freight charges, as reported by destination carrier, and the divisions thereof, must be accepted by all interested carriers as final. No recheck of such settlement will be made, except as to advances and prepaid, and to establish lists of unreported waybills.

11. The following forms must be used in preparing audit-office settlement accounts:

(a) Interline abstract. Form (A. A. R. A. O.) 104.

(b) Division sheet. Form (A. A. R. A. O.) 105.

(c) Summary of interline accounts. Form (A. A. R. A. O.) 110.

These forms are recommended by the Association of American Railway Accounting Officers, and samples are shown in that association's 1917 synopsis.

12. Unless and until otherwise ordered revenues shall be apportioned among carriers in accordance with the route via which the shipment moved, in the following manner:

(a) Where joint through rates are in effect, established divisions, or any simplifications thereof which may have been perfected, shall be used.

(b) Combination rates shall be divided as made. If one or more of the factors in the combination are joint through rates, such factors shall be divided as provided in subparagraph (a) preceding.

(c) When neither of the above division bases can be used, revenues shall be divided on 20 mile block mileage basis, each carrier to be allowed at least 20 miles, and originating and terminal carriers an additional 20 miles each as constructive mileage.

13. Simplified bases for apportioning interroad freight revenues are now being considered; upon their determination carriers will be advised thereof in a subsequent order.

14. Immediate steps shall be taken by each carrier to make the foregoing regulations effective as of May 1, 1918, and to procure supplies of the prescribed waybill and accounting forms, and to issue the necessary instructions to all concerned.

W. G. McADOO,
Director General.

NORTH & SOUTH RAILROAD CO.
FREIGHT WAY-BILL.

YARD STAMPS MUST NOT BE SHOWN ON FACE OF
THIS WAY-BILL.

Stop this car	for	Gross weight of car and contents for engine rating.					
		Tons.					
Car movement record.							
Car initials		Car number		Date.....	Waybill No.....		
Route (show each junction and carrier in route order)				From	(station)	(State)	
To	(station)	(State)	Shipper				
Consignee and address				Length of car	Marked capacity of car	Stenciled weight of car	
				Ft. In.			
				★ Reference numbers.	Weighed		
				Indicate by symbol in column provided how weights were obtained.			
				R—Railroad scale.	At.....		
				A—Weighing Bureau or agreement.	Gross.....		
				T—Tariff, classification or minimum.	Tare.....		
				S—Shipper's agreement or tested weight.	Allowance.....		
				E—Estimated (weigh and correct).	Net.....		
Lading.	Weight.	How obtained.	Rate and tariff No.	Freight.	Advances.	Prepaid.	
 ★ Insert here license numbers, bill of lading numbers, or such other reference numbers as are essential.							

JUNCTION FORWARDING AGENTS WILL SHOW JUNCTION STAMPS IN THE SPACE AND IN THE ORDER PROVIDED BELOW.

1st jct.	2d jct.	3d jct.	4th jct.	5th jct.																								
Form No.																												
NORTH & SOUTH RAILROAD CO. FREIGHT WAY-BILL.			YARD STAMPS MUST NOT BE SHOWN ON FACE OF THIS WAY-BILL.																									
Stop this car At	for	Gross weight of car and contents for engine rating. Tons.	Transferred To _____ Car No. _____ At _____																									
Car movement record																												
Car initials	Car number	Waybill Date. No.																										
Route (show each junction and carrier in route order)																												
To (station) (State)	Shipper																											
Consignee and address																												
<table border="1"> <tr> <td>Length of car Ft. In.</td> <td>Marked capacity of car</td> <td>Stenciled weight of car</td> </tr> <tr> <td>★ Reference numbers.</td> <td colspan="2">Weighed</td> </tr> <tr> <td colspan="3"> Indicate by symbol in column provided how weights were obtained. R—Railroad scale. A—Weighing Bureau or agreement. T—Tariff, classification or minimum. S—Shipper's agreement or tested weight. E—Estimated (weigh and correct). </td> </tr> <tr> <td colspan="3">At.</td> </tr> <tr> <td colspan="3">Gross.</td> </tr> <tr> <td colspan="3">Tare.</td> </tr> <tr> <td colspan="3">Allowance.</td> </tr> <tr> <td colspan="3">Net.</td> </tr> </table>					Length of car Ft. In.	Marked capacity of car	Stenciled weight of car	★ Reference numbers.	Weighed		Indicate by symbol in column provided how weights were obtained. R—Railroad scale. A—Weighing Bureau or agreement. T—Tariff, classification or minimum. S—Shipper's agreement or tested weight. E—Estimated (weigh and correct).			At.			Gross.			Tare.			Allowance.			Net.		
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Lading.	Weight.	How obtained.	Rate and tariff No.	Freight.																								
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★ Insert here license numbers, bill of lading numbers, or such other reference numbers as are essential.																												

JUNCTION FORWARDING AGENTS WILL SHOW JUNCTION STAMPS IN THE SPACE AND IN THE ORDER PROVIDED BELOW.

1st jct.	2d jct.	3d jct.	4th jct.	5th jct.
Form No.	C	O	P	Y

GENERAL ORDER No. 12.

WASHINGTON, *March 21, 1918.*

It is ordered that the following rules be observed with respect to all railroad work involving charges to capital account, viz:

First. In determining what additions and betterments, including equipment, and what road extensions should be treated as necessary, and what work already entered upon should be suspended, please be guided by the following general principles:

(a) From the financial standpoint it is highly important to avoid the necessity for raising any new capital which is not absolutely necessary for the protection and development of the required transportation facilities to meet the present and prospective needs of the country's business under war conditions. From the standpoint of the available supply of labor and material, it is likewise highly important that this supply shall not be absorbed except for the necessary purposes mentioned in the preceding sentence.

(b) Please also bear in mind that it may frequently happen that projects which might be regarded as highly meritorious and necessary when viewed from the separate standpoint of a particular company, may not be equally meritorious or necessary under existing conditions, when the Government has possession and control of the railroads generally, and therefore when the facilities heretofore subject to the exclusive control of the separate companies are now available for common use, whenever such common use will promote the movement of traffic.

Second. The construction of new lines or branches or extensions of existing lines shall not be entered upon or contracted for without the Director General's approval.

Third. No new locomotives or cars shall be ordered or constructed without the Director General's approval.

Fourth. Work contracted for or actually commenced prior to January 1, 1918, and unfinished, may be continued until further order, except in so far as in the judgment of the carrier concerned it may be possible to discontinue or curtail it without substantial loss, in order to conform to the general principles outlined in paragraph "First" hereof.

Fifth. Other work which does not involve charges to capital account in excess of \$25,000 may be contracted for and commenced without approval of the Director General, provided that—

(a) It conforms to the policy outlined in paragraph "First" hereof; that

(b) It also falls clearly within the policy of the particular carrier as that policy has been applied in practice during the two calendar years 1916 and 1917; and that

(c) A report giving a brief description of each project involving not less than \$5,000 nor more than \$25,000 chargeable to capital account and showing also the amount chargeable to operating expenses, shall be made in duplicate to the Director of the Division of Capital Expenditures at Washington and regional director for the district within 10 days after the work shall be contracted for or commenced.

Sixth. No work involving a charge to capital account in excess of \$25,000 shall be contracted for or commenced subsequent to January 1, 1918, unless—

(a) It conforms to the policy outlined in paragraph "First" hereof; and unless

(b) It be authorized by the Director General.

Seventh. The Director of the Division of Capital Expenditures is authorized to prescribe such forms, require such reports, and issue such regulations and instructions as may be necessary to carry out this order.

W. G. McADOO,
Director General of Railroads.

SUPPLEMENT NO. 1 TO GENERAL ORDER NO. 12.

WASHINGTON, November 12, 1918.

The "standard clauses" for the contracts between the Government and the Railroad Companies provide that "prompt notice" shall be given the Company of the making or ordering of additions, betterments, road extensions, equipment, etc. costing more than \$1,000, with an estimate of the cost thereof, and that "such notice shall be given before the beginning of the work or the acquisition of the property whenever in the judgment of the Director General it is practicable to do so." In order the better to comply with said agreement, paragraph "Fifth" of General Order No. 12, dated March 21, 1918, (which authorized in certain circumstances work involving charges to capital account not in excess of \$25,000 to be contracted for and commenced in advance of approval by the Director General) is hereby amended, effective January 1, 1919, so as hereafter to read as follows:

Fifth: A requisition for authority on the form prescribed by D. C. E. Circular No. 1 and Supplement 1 and by other Supplements issued or that may be issued thereto shall be prepared and a copy thereof shall be forwarded by mail to the President of the Company to be charged therewith, as provided in said Circular, as notice of the making or ordering of such addition, betterment, road extension, equipment, etc. required by said agreement; and such copy should be so forwarded *before* the beginning of the work or the acquisition of the property except in cases of emergency or other cases where the delay incident to the preparation and forwarding of such requisitions will be detrimental to the Government, the service, or the Company; and in all such excep-

tional cases the requisitions shall be forwarded as soon after the beginning of the work as reasonably practicable. No work involving a charge to capital account of \$1,000 or more shall be contracted for or commenced unless it be authorized by the Regional Director except in cases of emergency; and no work involving a charge to capital account in excess of \$10,000 shall be contracted for or commenced unless it be authorized by the Director of the Division of Capital Expenditures except in cases of emergency and in other cases where the delay incident to awaiting such authority on the usual form would be detrimental, in which latter cases preliminary authority should be obtained by telegraph whenever practicable.

W. G. McADOO,
Director General of Railroads.

GENERAL ORDER NO. 13.

WASHINGTON, March 22, 1918.

Whereas practically all of the railroads now under control of the Director General have in existence at this time agreements with the Brotherhood of Locomotive Engineers, Order of Railway Conductors, Brotherhood of Railroad Trainmen, and Brotherhood of Locomotive Firemen and Enginemen which provide for basis of compensation and regulations of employment; and

Whereas in existing circumstances it is the patriotic duty of both officers and employees of the railroads under Federal control, during the present war, promptly and equitably to adjust any controversies which may arise, thereby eliminating misunderstandings which tend to lessen the efficiency of the service:

It is hereby ordered, That the basis arrived at in the annexed understanding between Messrs. A. H. Smith, C. H. Markham, and R. H. Aishton, regional directors, representing the railroads in the eastern, southern, and western territories, with the chief executive officers of the Brotherhood of Locomotive Engineers, Order of Railway Conductors, Brotherhood of Railroad Trainmen, and Brotherhood of Locomotive Firemen and Enginemen be, and the same is hereby adopted and put into effect as of March 22, 1918.

W. G. McADOO.
Director General of Railroads.

MEMORANDUM OF AN UNDERSTANDING BETWEEN MESSRS. A. H. SMITH, C. H. MARKHAM, AND R. H. AISHTON, REGIONAL DIRECTORS, REPRESENTING THE RAILROADS IN THEIR RESPECTIVE REGIONS, AND MR. W. S. STONE, GRAND CHIEF ENGINEER, BROTHERHOOD OF LOCOMOTIVE ENGINEERS; MR. A. B. GARRETSON, PRESIDENT ORDER OF RAILWAY CONDUCTORS; MR. W. G. LEE, PRESIDENT BROTHERHOOD OF RAILROAD TRAINMEN; MR. TIMOTHY SHEA, ACTING PRESIDENT BROTHERHOOD OF LOCOMOTIVE FIREMEN AND ENGINEMEN.

It is understood, That all controversies growing out of the interpretation or application of the provisions of the wage schedule or

agreements which are not promptly adjusted by the officials and the employees on any one of the railroads operated by the Government shall be disposed of in the following manner:

1. There shall be at once created a commission, to be known as Railway Board of Adjustment No. 1, to consist of eight members, four to be selected by the said regional directors and compensated by the railroads, and one each by the chief executive officer of each of the four organizations of employees hereinbefore named and compensated by such organizations.

2. This Board of Adjustment No. 1 shall meet in the city of Washington, within 10 days after the selection of its members, and elect a chairman and vice chairman, who shall be members of the board. The chairman or vice chairman will preside at meetings of the board, and both will be required to vote upon the adoption of all decisions of the board.

3. The board shall meet regularly, at stated times each month, and continue in session until all matters before it are considered.

4. Unless otherwise mutually agreed, all meetings of the board shall be held in the city of Washington: *Provided*, That the board shall have authority to empower two or more of its members to conduct hearings and pass upon controversies, when properly submitted at any place designated by the board: *Provided further*, That such subdivision of the board will not be authorized to make final decision. All decisions shall be made and approved by the entire board, as herein provided.

5. Should a vacancy occur in the board for any cause, such vacancy shall be immediately filled by the same appointive authority which made the original selection.

6. All authority vested in the Commission of Eight, to adjust disputes arising out of the application of the eight-hour law, is hereby transferred to the Railway Board of Adjustment No. 1, in the same manner as has heretofore been done by the Commission of Eight. All decisions of a general character heretofore made by the Commission of Eight are hereby confirmed, and shall apply to all railroads under governmental operation, unless exempted in said eight-hour law. Decisions which have been rendered by the Commission of Eight, and which apply to individual railroads, shall remain in effect until superseded by decisions of the Railway Board of Adjustment No. 1 made in accordance with this understanding.

7. The Railway Board of Adjustment No. 1 shall render decisions on all matters in dispute as provided in the preamble hereof, and when properly submitted to the board.

8. The broad question of wages and hours will be considered by the Railroad Wage Commission, but matters of controversies arising from interpretations of wage agreements, not including matters

passed upon by the Railroad Wage Commission, shall be decided by the Railway Board of Adjustment No. 1, when properly presented to it.

9. Wages and hours, when fixed by the Director General, shall be incorporated into existing agreements on the several railroads, and should differences arise between the management and the employees of any of the railroads as to such incorporation, such questions of difference shall be decided by the Railway Board of Adjustment No. 1, when properly presented, subject always to review by the Director General.

10. Personal grievances or controversies arising under interpretation of wage agreements, and all other disputes arising between officials of a railroad and its employees, covered by this understanding, will be handled in their usual manner by general committees of the employees up to and including the chief operating officer of the railroad (or some one officially designated by him), when, if an agreement is not reached, the chairman of the general committee of employees may refer the matter to the chief executive officer of the organization concerned, and if the contention of the employees' committee is approved by such executive officer, then the chief operating officer of the railroad and the chief executive officer of the organization concerned shall refer the matter, with all supporting papers, to the Director of the Division of Labor of the United States Railroad Administration, who will in turn present the case to the Railway Board of Adjustment No. 1, which board shall promptly hear and decide the case, giving due notice to the chief operating officer of the railroad interested and to the chief executive officer of the organization concerned of the time set for hearing.

11. No matter will be considered by the Railway Board of Adjustment No. 1 unless officially referred to it in the manner herein prescribed.

12. In hearings before the Railway Board of Adjustment No. 1, in matters properly submitted for its consideration, the railroad shall be represented by such person or persons as may be designated by the chief operating officer, and the employees shall be represented by such person or persons as may be designated by the chief executive officer of the organization concerned.

13. All clerical and office expenses will be paid by the United States Railroad Administration. The railroad directly concerned and the organization involved in a hearing will, respectively, assume any expense incurred in presenting a case.

14. In each case an effort should be made to present a joint concrete statement of facts as to any controversies, but the board is fully authorized to require information in addition to the concrete statement of facts, and may call upon the chief operating officer of the

railroad or the chief executive officer of the organization concerned for additional evidence, either oral or written.

15. All decisions of the Railway Board of Adjustment No. 1 shall be approved by a majority vote of all members of the board.

16. After a matter has been considered by the board, and in the event a majority vote can not be obtained, then any four members of the board may elect to refer the matter upon which no decision has been reached to the Director General of Railroads for a final decision.

17. The Railway Board of Adjustment No. 1 shall keep a complete and accurate record of all matters submitted for its consideration and of all decisions made by the board.

18. A report of all cases decided, included the decision, will be filed with the Director Division of Labor, of the United States Railroad Administration, with the chief operating officer of the railroad affected, the several regional directors, and with the chief executive officers of the organizations concerned.

19. This understanding shall become effective upon its approval by the Director General of Railroads and shall remain in full force and effect during the period of the present war, and thereafter, unless a majority of the regional directors, on the one hand, as representing the railroads, or a majority of the chief executive officers of the organizations, on the other hand, as representing the employees, shall desire to terminate the same, which can, in these circumstances, be done on 30 days' formal notice, or shall be terminated by the Director General himself, at his discretion, on 30 days' formal notice.

Signed and sealed this 22d day of March, 1918.

A. H. SMITH,
C. H. MARKHAM,
R. H. AISHTON,

Regional Directors for the Railroads under Government Control.

W. S. STONE.

Grand Chief Engineer Brotherhood of Locomotive Engineers.

A. B. GARRETSON,

President Order of Railway Conductors.

W. G. LEE,

President Brotherhood of Railroad Trainmen.

TIMOTHY SHEA,

*Acting President Brotherhood of Locomotive
Firemen and Enginemen.*

GENERAL ORDER NO. 14.

WASHINGTON, March 25, 1918.

The committee on transportation, American Railway Association, having at the request of the Director General, submitted a report in

connection with the Federal law, "To save daylight and to provide standard time for the United States," which becomes effective at 2 a. m., Sunday, March 31, 1918, the following instructions, based on such report, are hereby issued:

First. At 2 a. m., Sunday, March 31, all clocks and watches in train dispatchers' offices, and in all other offices open at that time, must be advanced one hour to indicate 3 a. m.

Employees in every open office must, as soon as the change has been made, compare time with the train dispatcher. Clocks and watches in all offices at the first opening, at or after the time the change becomes effective, must be advanced to conform to the new standard time, and employees, before assuming duties in such offices, must, after the change is made, compare time with the train dispatcher.

Second. Each railroad will issue necessary instructions and arrange for such supervision and check of the watches of its employees as to insure that they have been properly changed to conform to the new standard time.

Third. Owing to the varying conditions which will prevail on the railroads of the United States, it is not advisable to issue a uniform rule or order to cover the details involved in the movement of trains at the period the change in standard time becomes effective. Therefore, each railroad must adopt such measures as may be necessary to properly safeguard the movement of its trains on the road at the time of the change.

W. G. McADOO,
Director General of Railroads.

GENERAL ORDER No. 15.

WASHINGTON, March 26, 1918.

The following requirements must be observed in respect of the construction, maintenance and operation of new industry tracks, and in respect of the operation and maintenance of existing industry tracks:

1. As to new industry tracks:

- (a) The industry shall pay for, own and maintain that part of the track beyond the right of way of the railroad company.
- (b) The railroad company shall pay for, own and maintain that part of the track on the right of way from the switch point to the clearance point.
- (c) Generally speaking, an industry shall pay for and maintain (although in special cases the railroad company may do so), and the railroad company shall own, that part of the track on the right of way from the clearance point to the right of way line.

ERRATUM.

[Insert in Bulletin No. 4 (Revised) facing page 182.]

SUPPLEMENT NO. 1 TO GENERAL ORDER NO. 15.

WASHINGTON, December 5, 1918.

General Order No. 15, dated March 26th, 1918, is hereby supplemented as follows:

1. General Order No. 15 is not to be construed as requiring or authorizing a Federal Manager to enter into a contract on behalf of the Director General to pay for that part of an industry track on the right of way from the switch point to the clearance point where, in the judgment of the Federal Manager, the amount of traffic to be derived by the United States Railroad Administration from the construction of the industry track is not sufficient to justify such expenditure. In cases where, in the judgment of the Federal Manager, the circumstances justify the construction of an industry track, but the amount of revenue to be derived therefrom by the United States Railroad Administration does not justify the payment by the Director General of the cost of that part of the track on the right of way from the switch point to the clearance point, an agreement may be made, otherwise in accordance with General Order No. 15, but providing for the payment of the entire cost of the track by the shipper with a provision for refund up to, but not exceeding, the cost of the part of the track from the switch point to the clearance point, at the rate of two dollars (\$2.00) per car of earload freight yielding road haul revenue, delivered on or shipped from the track during Federal control.

2. Track material contained in that portion of an industry track on the railroad right of way which was installed and paid for by the industry during Federal control shall remain the property of the industry, except to the extent that refund of the cost thereof shall have been made by the railroad or the Director General, but such ownership shall be subject to the right of the railroad to use the track when not to the detriment of the industry.

3. Upon the discontinuance of use of an industry track for the purposes of the industry, the industry shall have the right to have the track material on the right of way which was paid for by the industry during Federal control taken up and delivered to the industry, except to the extent that the cost of such track material shall have been refunded to the industry by the railroad or the Director General. The work of taking up the track shall be done, if the Federal Manager shall so desire, by the forces of the Federal Manager, but in any event at the expense of the industry.

W. G. McADOO,
Director General of Railroads.

(d) If the industry fails to maintain in reasonably safe condition the part of the track which it is required to maintain, the railroad company may disconnect the track or refuse to operate over it when not in such condition.

(e) The railroad company shall have the right to use the track when not to the detriment of the industry.

(f) The foregoing terms and conditions should be embodied in a written contract between the industry and the railroad company.

2. Where existing industry tracks are not covered by written contracts, they shall be maintained and operated in accordance with the provisions stated in paragraph 1 hereof.

3. Where industry tracks are covered by written contracts, such contracts shall be adhered to until otherwise ordered; but where any such contracts appear to work inequalities or injustice the circumstances should be brought to the attention of the regional director, who will report thereon to the Director General, if conditions seem to warrant.

4. The requirements of State statutes and of State commissions in respect of the construction, maintenance, and operation of industry tracks shall be complied with, but in cases where such compliance involves what appears to be an unreasonable burden upon the United States Railroad Administration the circumstances should be brought to the attention of the regional director, who will report thereon to the Director General, if the conditions seem to warrant.

W. G. McADOO,
Director General of Railroads.

GENERAL ORDER No. 16.

WASHINGTON, D. C., March 28, 1918.

In the organization of the various carriers, some doubt appears at times to exist as to the extent to which, if at all, the executive authority in operating matters is divided between the president of the company and the chairman of its board of directors, or of some committee thereof.

For the purpose of simplification and definiteness it is ordered that the president of each company shall be treated by the United States Railroad Administration as the company's principal executive authority (subject to the Director General), in all matters of operation under Federal control and that chairmen of the boards of directors or of some committees thereof shall not exercise functions connected with the operation of the railroads under Federal control.

W. G. McADOO,
Director General of Railroads.

GENERAL ORDER No. 17.

WASHINGTON, D. C., April 3, 1918.

To the chief executive officers of carriers subject to Federal control:

It is hereby ordered that the following rules and regulations shall be observed and shall govern the recording of and accounting for all transactions which arise during Federal control:

1. For accounting purposes Federal control began as of January 1, 1918. Immediate steps shall be taken by each carrier subject thereto to open new and separate books of accounts, such as cash books, general and subsidiary ledgers and journals, and all supporting and subsidiary books and records incident thereto, upon which shall be recorded transactions which arise under and are incident to Federal control on and after January 1, 1918. Such books shall be designated and are hereinafter referred to as "Federal books."

2. The totals of the accounts "Cash," "Demand loans and deposits," and "Time drafts and deposits" appearing on the corporation's books as of December 31, 1917, shall be transferred to the Federal books, debited to accounts of the same titles, and credited to a deferred liability account styled "(Name of corporation)—Cash—December 31, 1917." On the corporate books the amount of such balances should be transferred to a deferred asset account styled "U. S. Government—Cash—December 31, 1917." All cash transactions subsequent to December 31, 1917, relating to operations prior or subsequent thereto, shall be recorded in the Federal cash book opened as of January 1, 1918.

3. The total of account "Net balance receivable from agents and conductors" appearing on the corporation's books as of December 31, 1917, shall be transferred to the Federal books, debited to an account of the same title, and credited to a deferred liability account styled "(Name of corporation)—Agents' and conductors' balances—December 31, 1917." On the corporate books the amount of such balances should be transferred to a deferred asset account styled "U. S. Government—Agents' and conductors' balances—December 31, 1917."

4. The total of account "Materials and supplies" appearing on the corporation's books as of December 31, 1917, shall be transferred to the Federal books, debited to an account of the same title, and credited to a deferred liability account styled "(Name of corporation)—Materials and supplies—December 31, 1917." On the corporate books the amount of such balance should be transferred to a deferred asset account styled "U. S. Government—Material and supplies—December 31, 1917."

5. In addition to the assets above specified, there shall be likewise transferred to the Federal books and similarly recorded thereon, such

other working assets of the corporation as may be mutually agreed upon.

6. There shall be currently entered, upon such Federal books, in the manner and under the rules and regulations prescribed by the Interstate Commerce Commission or which may hereafter be prescribed, all transactions involving revenues, expenses, taxes, and rentals, and other items corresponding to those which constitute the basis upon which the standard return to the carrier shall be determined. Such entries shall include corresponding assets and liabilities and the cash settlement thereof; also all transactions involving materials and supplies subsequent to December 31, 1917.

7. Transactions of the corporation, including those arising out of cash receipts or disbursements, which do not affect or which do not enter into and form a part of those used in determining the basis of standard return, such as interest and dividends received or paid, miscellaneous rents, and other similar corporate transactions, including additions and betterments, shall not be recorded on or passed through such Federal books unless such transactions be negotiated and conducted for account of the corporation by or under the direction of the Director General. Where such income transactions are negotiated and conducted by or under the direction of the Director General the transactions shall be recorded on the Federal books but credited or charged to an account to be opened, styled "(Name of corporation)—Corporate income transactions." Concurrently, corresponding entries should be made on the corporate books charging or crediting the accounts prescribed by the Interstate Commerce Commission or which may hereafter be prescribed, the offset being in an account styled "U. S. Government—Corporate income transactions." Where additions and betterments are made by or under the direction of the Director General, the expenditures shall be charged on the Federal books to be a deferred asset account "(Name of corporation)—Additions and betterments." Concurrently, entries should be made on the corporate books, charging the appropriate accounts and crediting a deferred liability account "U. S. Government—Additions and betterments."

8. Current or operating assets, other than those prescribed in paragraphs 2, 3, 4, and 5 hereof, such as, balances due from individuals and companies, and liabilities, such as, vouchers, pay rolls, etc., which were due to or by the corporation as of December 31, 1917, shall not be transferred in detail to the Federal books; but as and when such assets are collected or the liabilities are paid, they shall be credited or debited, as the case may be, on the Federal books to a deferred liability account styled "(Name of corporation)—Assets, December 31, 1917, collected," or to a deferred asset account "(Name of corporation)—Liabilities, December 31, 1917, paid." There should

be concurrently made, on the corporate books, corresponding entries debiting and crediting the United States Government with assets collected and liabilities paid.

9. Transactions relating to operations, as defined in paragraph 6 hereof, if not previously accrued, shall be included in and shall form a part of the operating results of each carrier regardless of the date thereof. Items clearly applicable to the period prior to January 1, 1918, commonly called "lap-overs," shall be ascertained currently, set up on the Federal books, and included in the appropriate accounts as heretofore. At the end of each month, the total of "lap-over" credit items shall be charged to an unadjusted debit account styled "Revenue prior to January 1, 1918," and credited to a deferred liability account styled "(Name of corporation)—Revenue prior to January 1, 1918." The total of "lap-over" debit items shall be credited to an unadjusted credit account styled "Expense prior to January 1, 1918," and charged to a deferred asset account styled "(Name of corporation)—Expense prior to January 1, 1918." Operating revenues which have been accrued currently in accordance with the established practice of the carrier shall be considered as current revenues and not as "lap-over" items.

10. The accounts between the United States Government and the corporation, for which provision is made herein, shall be adjusted in such manner as may be hereafter agreed upon.

11. Inquiries as to the interpretation and application of the provisions of this order and the procedure to be observed under its requirements shall be addressed to the Director of Public Service and Accounting.

W. G. McAdoo,
Director General of Railroads.

GENERAL ORDER NO. 18.

WASHINGTON, April 9, 1918.

Whereas the act of Congress approved March 21, 1918, entitled "An act to provide for the operation of transportation systems while under Federal control," provides (section 10) "That carriers while under Federal control shall be subject to all laws and liabilities as common carriers, whether arising under State or Federal laws or at common law, except in so far as may be inconsistent with the provisions of this act or with any order of the President. * * * But no process, mesne or final, shall be levied against any property under such Federal control"; and

Whereas it appears that suits against the carriers for personal injuries, freight and damage claims are being brought in States and

jurisdictions far remote from the place where plaintiffs reside or where the cause of action arose, the effect thereof being that men operating the trains engaged in hauling war materials, troops, munitions, or supplies are required to leave their trains and attend court as witnesses, and travel sometimes for hundreds of miles from their work, necessitating absence from their trains for days and sometimes for a week or more, which practice is highly prejudicial to the just interests of the Government and seriously interferes with the physical operation of the railroads, and the practice of suing in remote jurisdictions is not necessary for the protection of the rights or the just interests of plaintiffs.

It is therefore ordered, That all suits against carriers while under Federal control must be brought in the county or district where the plaintiff resides, or in the county or district where the cause of action arose.

W. G. McAdoo,
Director General of Railroads.

GENERAL ORDER No. 18-A.

WASHINGTON, April 18, 1918.

General Order No. 18 issued April 9, 1918, is hereby amended to read as follows:

It is therefore ordered that all suits against carriers while under Federal control must be brought in the county or district where the plaintiff resided at the time of the accrual of the cause of action or in the county or district where the cause of action arose.

W. G. McAdoo,
Director General of Railroads.

GENERAL ORDER No. 19.

WASHINGTON, April 13, 1918.

Pursuant to the proclamation of the President of the United States, the undersigned, as Director General of Railroads, has taken possession and assumed control of the Clyde Steamship Co., Mallory Steamship Co., Merchants & Miners Transportation Co., and Southern Steamship Co., at 12.01 a. m., Saturday, April 13, 1918. Until further order it is directed that:

First. All officers, agents, and employees of said steamship lines may continue in the performance of their present regular duties, reporting to the same officers as heretofore and on the same terms of employment.

Second. Any officer, agent, or employee desiring to retire from his employment shall give the usual and seasonable notice to the proper

officer to the end that there may be no interruption or impairment of the transportation service required for the successful conduct of the war and the needs of general commerce.

W. G. McADOO,
Director General of Railroads.

GENERAL ORDER No. 20.

WASHINGTON, D. C., April 22, 1918.

Effective at once, technical and arithmetical examination and checking of all operating bills such as bills for freight and other claims, joint facilities, car repairs, and other similar bills and all statements of accounts such as distribution of freight and passenger revenues and other similar statements, rendered by one carrier subject to Federal control to or against another carrier subject to Federal control, which accrued or which may accrue on or subsequent to January 1, 1918, shall be discontinued. The carrier rendering such statements, bills, etc., shall take the necessary measures to insure the correctness thereof.

W. G. McADOO,
Director General of Railroads.

GENERAL ORDER No. 21.

WASHINGTON, D. C., April 22, 1918.

1. SIMPLIFIED BASES FOR APPORTIONING INTERROAD FREIGHT REVENUES TO CARRIERS PERFORMING THE SERVICE.

1. Pursuant to the provisions of paragraph (13) of General Order No. 11, dated March 16, 1918, with respect to the adoption of universal interline waybilling, the following regulations will be observed beginning with the May, 1918, accounts in apportioning freight revenues to individual carriers subject to Federal control which perform interroad freight service.

2. In cases where interline billing has been in effect covering all or a major portion of freight traffic interchanged between two or more carriers via the same route, although the interline waybill may not cover the movement from origin to final destination of the traffic:

(a) The waybill destination carrier shall determine, from interline division statements for the period of 12 months ended December 31, 1917, the aggregate freight revenue on interline freight traffic from each initial waybilling carrier separately via each route. There shall likewise be determined the amount apportioned to each

individual carrier separately via each route. There shall be included in such aggregate freight revenue, and in the amounts due to each carrier, as their interests may appear, terminal allowances, bridge tolls, lighterage, insurance, and other arbitrarities. If the interline method of accounting became effective via any route subsequent to January 1, 1917, the division statements for the longest period obtainable (not exceeding 12 months) prior to May 1, 1918, shall be used.

(b) From the aggregate freight revenue, and the revenue due to each carrier via each route, ascertained in the manner prescribed in the preceding paragraph, the ratio of the revenue allotted to each carrier via each route to the total revenue shall be determined and stated in two figure per cents; such per cents shall be designated as "road to road" per cents. The per cents thus determined for each route shall be used for apportioning the revenue from the traffic moving over it on interline waybills to be accounted for beginning with May, 1918, accounts, until and unless otherwise ordered.

(c) When the accounts for commodities moving in large volumes, such as coal, have, as a matter of general practice, been kept separately, separate road to road per cents, based on revenues from that class of traffic, may be determined as above prescribed and used in apportioning the revenues therefrom.

3. In cases where interline waybilling has not been in effect or where it has been applied to only a small part of the traffic moved between two or more carriers via the same route:

(d) Destination carriers of the freight shall apportion and settle the revenues on interline waybills to be accounted for in May, 1918, accounts on bases of established divisions. From the totals of proportions thus settled, destination carriers shall compute two figure per cents for traffic for each initial carrier via each route. Such per cents are herein designated as "road to road" per cents and shall be used thereafter to apportion revenues via such roads and routes, respectively, on that class of traffic unless and until otherwise ordered. When traffic moves only in small volume, destination carriers may compute two figure station to station per cents based on revenues produced by the application of established division bases, and use such station to station per cents instead of the road to road per cents.

(e) In the event freight traffic moves during the month of June, 1918, or thereafter via routes over which there were no freight movements covered by interline waybills prior thereto, destination carriers shall apply the established divisions in apportioning the revenue on such shipments during the month in which the traffic first moves. Thereafter, the revenue on such traffic shall be divided on either road to road or station to station per cents as may be applicable.

(f) When the accounts for commodities moving in large volumes, such as coal, have as a matter of general practice, been kept separately, separate road to road per cents based on revenue from that class of traffic may be determined as herein prescribed and used in apportioning the revenues therefrom.

4. In cases where freight traffic moves via unusual or diverted routes over which no divisions apply and via which no experience can be obtained, destination carriers shall apportion the revenues therefrom on a 20-mile block-mileage basis, each carrier to be allowed at least 20 miles and originating and terminal carriers an additional 20 miles each as constructive mileage.

5. The formulæ prescribed herein for apportioning interline freight revenues to carriers performing the service are intended to preserve, as equitably as practicable, the integrity of the revenues of individual carriers, and their use shall be generally observed. If by reason of new traffic developments, or the abnormal shifting of traffic, the continued application of the road to road per cents herein provided for might seriously distort the revenues of interested carriers, the destination carrier may, upon its own initiative or by request, test apportionment of revenues for a specific month or period by applying the established division bases thereto. If results thus obtained vary substantially from the results obtained by the application of road to road per cents as herein provided for, and the change appears to be permanent, application may be made to the Director of Public Service and Accounting to adjust the divisions to such bases as will produce more equitable results. Applications for changed apportionment bases based upon ordinary traffic fluctuations will not be considered.

II. MODIFICATION OF PRACTICES IN ACCOUNTING FOR FREIGHT AND RELATED REVENUES.

6. Destination carriers shall completely revise waybills as to rates, classifications, extensions, footings, weights, etc., thus insuring the correctness of the revenues based on tariffs applicable, and they shall account to interested carriers for their respective proportions of such revenues in the manner hereinbefore prescribed. If flagrant or continued use of erroneous rates or classifications be observed by destination carriers, the attention of billing carriers must be specially called thereto. Where ordinary changes or corrections are made in waybilled revenue by destination agents, correction notices need not be made therefor to intermediate or originating carriers unless advances or prepaid charges be involved.

7. Paragraph 10 of General Order No. 11 provides that settlements by destination carriers with all other interested carriers shall be accepted as final. This provision discontinues the adjustment among

carriers of overcharges and undercharges in revenue, but does not prohibit the adjustment of differences in advances and prepaid items, clerical errors in addition and divisions, or errors due to omissions, diversions, etc.

8. Effective at once, no apportionment shall be made among carriers of charges absorbed, such as switching, elevation, transfer charges, terminal delivery charges, icing, cost of grain and coal doors, and other similar items accruing during Federal control; such absorbed charges shall be borne by paying carrier:

III. MODIFICATIONS AND INTERPRETATIONS OF GENERAL ORDER NO. 11.

9. Paragraph 11 of General Order No. 11 prescribes certain forms to be used in preparing audit office settlement accounts. Until further ordered, carriers may use such prescribed forms or they may use those now in use by them in settlement of interline freight accounts until such time as a more complete study is made of the forms which will later be prescribed.

10. Subparagraph (b) of paragraph 8 of General Order No. 11 provides that: "Only the original and one copy of the waybill shall be made." This provision is hereby amended to the extent of permitting carriers taking such additional copies of waybills as may be necessary to maintain the integrity of the accounts. The first copy must be printed in the same form as the original, but may be on a lighter weight of paper. Any additional copies beyond the first may be prepared on blank paper.

11. While paragraph 8 of General Order No. 11 provides for a standard form of waybill, such order does not prohibit the continuation or adoption of a color scheme for waybills for specific or special traffic when such color scheme tends to expedite or protect the freight.

12. If, under prevailing practices, freights originating on or destined to points on switching or tap lines are waybilled from or to trunk-line junctions or connections with such switching or tap lines and junction, settlements are made at such points of connections, such practices may, until further ordered, be continued.

W. G. McADOO,
Director General of Railroads.

GENERAL ORDER No. 22.

WASHINGTON, April 22, 1918.

Mr. G. A. Tomlinson is hereby appointed general manager of the New York Canal Section of the United States Railroad Administration and as such will have charge of the construction and acquisition of equipment for use upon the New York State Barge Canal and, as

an incident thereto, for use upon the waters connecting therewith, and will operate such equipment for the Director General of Railroads upon such canal and other waters.

He is hereby empowered to enter into contracts, either in his own name as such general manager or in the name of the Director General of Railroads, for the construction, acquisition, or chartering of such equipment, for the purchase of supplies needed in such operation, and for the transportation of property upon such canal and other waters.

W. G. McADOO,
Director General of Railroads.

GENERAL ORDER No. 23.

WASHINGTON, D. C., May 2, 1918.

Each and every carrier subject to Federal control shall render a weekly cash report on Form T-5, as per copy herewith.

The first report shall be rendered as of May 4, 1918.

W. G. McADOO,
Director General of Railroads.

[Form T-5.]

(Name of company.)

Statement of cash resources and requirements.

....., 191
(Date of end of week.)

Code.		Amount (cents omitted).
A	Cash on hand and in banks (as defined in I. C. C. account 708), including demand loans and deposits (I. C. C. account 709), less amount of any outstanding checks:	
In New York.....		\$.....
B In Chicago.....		
C In St. Louis.....		
D In other cities and towns.....		
E Total cash.....		
F Time drafts and time deposits receivable during current month.....		
G Estimated amount of other cash receipts during remainder of current month.....		
H Total.....		
I Estimated amount of cash receipts during month subsequent to current month.....		
J Total resources.....		
K Unpaid vouchers actually outstanding.....		
L Unpaid pay rolls or pay-roll checks.....		
M Interest matured unpaid.....		
N Dividends matured unpaid.....		
O Other liabilities, including notes and funded debt, due and payable during current month.....		
P Total.....		
Q Estimated amount of additional obligations, including notes and funded debt, due and payable during month subsequent to current month.....		
R Total requirements.....		
S Excess of resources over requirements.....		
T Excess of requirements over resources.....		

Statement of cash resources and requirements—Continued.

TIME DRAFTS RECEIVABLE AND TIME DEPOSITS WITH BANKS AND TRUST COMPANIES (I. C. C. ACCOUNT 710).

Date receivable.	Receivable from—	Amount.
.....
.....
.....
.....

I hereby certify that the above statement is correct.

....., 191
(Place and date.)

.....
Title.

INSTRUCTIONS.

This statement shall be rendered as of the end of each week and shall be mailed as quickly as possible thereafter to "Treasurer, United States Railroad Administration, Interstate Commerce Building, Washington, D. C."

Particulars of any large or unusual items included in items "O" or "Q," such as notes or funded debt maturing, etc., should be given in memorandum and attached to statement. If requested to telegraph statement, give name of company, form number and date of statement, code, and amounts, and mail copy of telegram and statement in confirmation.

SUPPLEMENT NO. 1 TO GENERAL ORDER NO. 23.

WASHINGTON, D. C., August 13, 1918.

Effective with report for the week ending August 17, 1918, the following instructions shall govern the rendering of the Weekly Cash Report, Form T-5.

(1) Where Federal treasurers have been appointed, their reports shall include only transactions affecting the cash controlled by them, in accordance with the provisions of General Order No. 37. Reports as to transactions affecting other (corporate) cash will not be required.

(2) As and when Federal treasurers are appointed they shall commence to render the reports to include only transactions affecting the cash controlled by them, in accordance with the provisions of General Order No. 37. Reports as to transactions affecting other (corporate) cash may then be discontinued.

(3) Otherwise the reports shall continue to be made up as at present.

(4) These instructions also, of course, apply to all acting Federal treasurers, as well as to the treasurers whose nominations have been confirmed.

A supply of revised forms will be sent you.

W. G. McADOO,
Director General of Railroads.

GENERAL ORDER No. 24.

WASHINGTON, D. C., *May 16, 1918.*

On April 30 a telegram was sent to carriers, instructing them not to renew any expiring fire insurance policies on property in Federal control, and not to take out any new fire insurance policies upon such property. It was provided that carriers might call attention to cases calling for exceptional treatment. A letter was sent to the carriers confirming this telegram, and the letter suggested care for fire prevention in terms similar to the last paragraph of this order.

It is desired to extend the instructions to other insurance than fire insurance, excepting only bonds or policies insuring fidelity of employees in handling funds.

Carriers, therefore, are now instructed not to renew any expiring insurance of any character covering property in Federal control or any liability in connection with the operation or use of any such property, or liability for property transported or stored by carriers under Federal control, and not to take out any new policies, or place any additional or new risks under existing policies, of such insurance, except that this order shall not relate to bonds or policies insuring the fidelity of employees in handling funds. Such fidelity bonds or policies shall be continued, and proper provision made for any necessary changes, as heretofore. Carriers may present to the Director General any special circumstances which they believe call for exceptional treatment.

If the termination of insurance in accordance with this order results, as to any particular property, in the discontinuance by the insurance company of inspection or other measures for prevention of loss, it will be desirable to adopt proper substitute therefor, and the carrier shall make reasonable and proper temporary provision for such inspection or other preventive measures, reporting its action to this office.

W. G. McAdoo,
Director General of Railroads.

GENERAL ORDER No. 25.

WASHINGTON, *May 20, 1918.*

Effective July 1, 1918, the collection of transportation charges by carriers under Federal control, for services rendered, shall be on a cash basis, and, effective as of that date, credit accommodations then in existence which may be in conflict with the following regulations shall be canceled.

1. Tickets shall be sold only for cash in advance of service. Baggage charges are subject to the same rule as tickets, except C. O. D.

baggage and storage charges, which must be paid in cash before delivery.

2. In cases where the enforcement of this rule with respect to freight will retard prompt forwarding or delivery of the freight or the prompt release of equipment or station facilities, carriers will be permitted to extend credit for a period of not exceeding forty-eight (48) hours after receipt for shipment of a consignment if it be prepaid, or after delivery at destination if it be a collect consignment, provided the consignor if it be a prepaid consignment, or the consignee if it be collect, file a surety bond either individual or corporate, in an amount satisfactory to the treasurer of the carrier. The form of such bond shall be prescribed by the chief legal officer of the individual carrier, conditioned upon and providing for payment of all charges within forty-eight (48) hours after forwarding or delivery of the freight. Upon receipt and acceptance of such bond a carrier may accept and forward prepaid consignments or may deliver collect consignments in advance of payment of all charges thereon to the amount covered by the bond. Failure to pay such charges within the time prescribed will automatically cancel such credit.

3. Treasurers of individual carriers are required to arrange and conduct all matters relating to such credits. They shall designate the amount, and accept or reject the surety offered. Bonds may be required and accepted for individual consignments or blanket bonds may be accepted from individual shippers or consignees to cover all of their consignments for a given period; the period of the credit in such cases shall, however, be limited to forty-eight (48) hours on each shipment as prescribed in the preceding paragraph.

4. In case of any question as to the accuracy of charges, bills must be paid as rendered and claims presented for alleged errors. This will not prevent adjustments by agents of obvious errors.

5. Freight consigned to "order" or to "order notify" shall be delivered only upon surrender to the agent of the carrier of the original bills of lading for such freight, and the payment of the freight charges thereon as herein provided. Provided, however, if such bill of lading be lost or delayed the freight may be delivered in advance of surrender of the bill of lading upon receipt by the carrier's agent of a certified check for an amount equal to one hundred and ten (110) per cent of the invoice, or upon receipt of a surety bond either individual or corporate, acceptable to the treasurer of the carrier, in an amount for twice the amount of the invoice.

6. The extension or creation of local collection bureaus or agencies will be authorized by the Director of Public Service and Accounting, as and when such bureaus may be found to be necessary or expedient.

7. Bonding or underwriting arrangements with respect to credits extended, now in effect by individual carriers, shall be discontinued

as of July 1, 1918, or as soon thereafter as existing contracts are terminable.

8. Advice of the foregoing regulations shall be promptly given to all to whom credit accommodations are now given to the end that the regulations may be put into effect at the time specified with as little inconvenience as possible.

9. Payment of transportation charges by check will be considered as a payment in cash if the person, firm, or company signing or indorsing it is known to the agent to be fully reliable. Checks are not to be taken or cashed by agents under any circumstances, except for transportation charges.

10. Until otherwise ordered, the foregoing rules will not apply to transportation service rendered other departments of the Federal Government.

W. G. McADOO,
Director General of Railroads.

GENERAL ORDER No. 25-A.

WASHINGTON, June 12, 1918.

The effective date of General Order No. 25, which provides for placing the collection of transportation charges on a cash basis on and after July 1, 1918, is hereby postponed to August 1, 1918.

The rules governing the collection of transportation charges prescribed in General Order No. 25 are hereby amended and will not apply to transportation service rendered to—

The various departments and bureaus of the United States Government.

The nations allied with the United States in war.

The various States of the United States.

The counties and municipalities of such States.

The District of Columbia and Alaska.

The American Red Cross.

W. G. McADOO,
Director General of Railroads.

GENERAL ORDER No. 26.

WASHINGTON, May 23, 1918.

Whereas the act of Congress approved March 21, 1918, entitled "An act to provide for the operation of transportation systems while under Federal control," provides (sec. 10) "That carriers while under Federal control shall be subject to all laws and liabilities as common carriers, whether arising under State or Federal laws or at

common law, except in so far as may be inconsistent with the provisions of this act * * * or with any order of the President. * * * But no process, mesne or final, shall be levied against any property under such Federal control;" and authorizes the President to exercise any of the powers by said act or theretofore granted him with relation to Federal control through such agencies as he might determine; and

Whereas by a proclamation dated March 29, the President, acting under the Federal control act and all other powers him thereto enabling, authorized the Director General, either personally or through such divisions, agencies, or persons, or in the name of the President, to issue any and all orders which may in any way be found necessary and expedient in connection with the Federal control of systems of transportation, railroads, and inland waterways as fully in all respects as the President is authorized to do, and generally to do and perform all and singular acts and things and to exercise all and singular the powers and duties which in and by the said act, or any other act in relation to the subject hereof, the President is authorized to do and perform; and

Whereas it appears that there are now pending against carriers under Federal control a great many suits for personal injury, freight and damage claims, and that the same are being passed for trial by the plaintiffs in States and jurisdictions far removed from the place where the persons alleged to have been injured or damaged resided at the time of such injury or damage, or far remote from the place where the causes of action arose; the effect of such trials being that men operating the trains engaged in hauling war materials, troops, munitions or supplies, are required to leave their trains and attend court as witnesses, and travel sometimes for hundreds of miles from their work, necessitating absence from their trains for days and sometimes for a week or more; which practice is highly prejudicial to the just interests of the Government and seriously interferes with the physical operation of railroads; and the practice of trying such cases during Federal control in remote jurisdictions is not necessary for the protection of the rights or the just interests of plaintiffs:

It is therefore ordered, That upon a showing by the defendant carrier that the just interests of the Government would be prejudiced by a present trial of any suit against any carrier under Federal control, which suit is not covered by General Order No. 18 and which is now pending in any county or district other than where the cause of action arose or other than in which the person alleged to have been injured or damaged at that time resided, the suit shall not be tried during the period of Federal control: *Provided*, If no suit on the same cause of action is now pending in the county or district where the cause of action arose, or where the person injured or damaged at

that time resided, a new suit may, upon proper service, be instituted therein; and if such suit is now barred by the statute of limitations, or will be barred before October 1, 1918, then the stay directed by this order shall not apply unless the defendant carrier shall stipulate in open court to waive the defense of the statute of limitations in any such suit which may be brought before October 1, 1918.

This order is declared to be necessary in the present war emergency. In the event of unnecessary hardship in any case, either party may apply to the Director General for relief, and he will make such order therein as the circumstances may require consistent with the public interest.

This order is not intended in any way to impair or affect General Order No. 18 as amended by General Order No. 18-A.

W. G. McADOO,
Director General of Railroads.

GENERAL ORDER No. 27.

PREAMBLE.

WASHINGTON, May 25, 1918.

In promulgating this order I wish to acknowledge the patriotic service so unselfishly rendered by the Railroad Wage Commission, consisting of Messrs. Franklin K. Lane, Charles C. McChord, J. Harry Covington, and William R. Wilcox in connection with the important question of wages and hours of service of railroad employees which I referred to them by my General Order No. 5, dated January 18, 1918.

This commission took hold of the task with great energy and devotion and has dealt with the entire subject in a thoroughly sympathetic spirit.

Manifestly in a matter of such magnitude and complexity it is impossible to find any general basis or formula which would correct every inequality and give satisfaction to every interest involved. But the commission has made an earnest effort to do justice to all concerned. I have felt obliged, however, to depart from its recommendations in some particulars.

With respect to hours of service the commission says:

Manifestly, therefore, at this time, when men must be constantly taken from the railroads, as from all other industries, to fill the growing needs of the Nation's Army, hours of labor can not be shortened and thereby a greater number of men be required for railroad work. The Nation can not, in good faith, call upon the farmers and the miners to work as never before and press themselves to unusual tasks, and at the same time so shorten the hours of railroad men as to call from farm and mine additional and unskilled men to run the railroads. While the commission is strongly disposed to a standard

day in so far as the nature of the service will permit it, its firm judgment consequently is that the existing hours of service in effect on the railroads should be maintained for the period of the war.

But with this we earnestly urge that a most exhaustive study be made of this matter of hours of service, not with a view to the adoption of some arbitrary and universal policy which shall have no regard to the kind of work done, or to the effect upon the railroad service, but with these very considerations in mind. And we have gone into this matter far enough to justify to ourselves the belief that by the steady application of such sympathetic consideration the railroad service may be improved and at the same time fuller opportunity be given for lifting a burden that falls disproportionately upon some of the less favored of the railroad workers.

The commission also reached the conclusion that as to overtime "the existing rules and conditions of payment should not be disturbed during the period of the war." The commission has pointed out that this is not the time for any experiments which might lessen the tons of freight hauled and the number of passengers carried when the urgent and serious necessities of the war compel sacrifices from all, and that the adoption of any plan which would prevent the Government from working its men as long as they have been in the habit of working under private employers would be to take advantage of the grave war necessities of the Government and to embarrass it in carrying forward essential operations of the war at a time when the need of service was never greater and the ability to call in outside men is seriously impaired.

There has never been a time when the public interest demanded more urgently the devotion and unselfish service of all classes of railroad employees. I agree with the commission that it is not practicable at this time, when the war is calling upon every class of loyal citizens for service and sacrifices, to reduce the actual hours of labor to eight in every line of railroad work.

Nevertheless I am convinced that no further inquiry is needed to demonstrate that the principle of the basic eight-hour day is reasonable and just and that all further contentions about it should be set at rest by a recognition of that principle as a part of this decision.

Recognition of the principle of the basic eight-hour day in railroad service is, therefore, hereby made.

The question arises as to what further steps can and ought justly to be taken to strengthen the application of that principle, and when. This question must be solved in the light of the varied conditions of railroad employment and will have to be studied in detail by the Board of Railroad Wages and Working Conditions herein and hereby created and in the light of what is reasonably practicable under war conditions.

No problem so vast and intricate as that of doing practical justice to the 2,000,000 railroad employees of the country can be regarded

as completely settled and disposed of by any one decision or order; therefore the Board of Railroad Wages and Working Conditions is hereby established and will take up as presented any phases of the general problem relating to any class of employees or any part of a class of employees which may justly call for further consideration.

It is my earnest hope that railroad officials and railroad employees will realize that their relations under Federal control are not based upon the old conditions of private management. Dissensions and disappointments should be forgotten and all should now remember that they are not only serving their country in the operation of the railroads, but that upon the character, quality, and loyalty of that service depends in large measure our success in this war.

It is an inspiring task—this task of putting upon a more just and equitable basis the wages and working conditions of loyal workers in railroad service—and I confidently expect the patriotic support and assistance of every railroad official and every railroad employee in performing that task with credit to each other and with honor to their country.

ORDER.

Respecting the wages, hours, and other conditions of employment of the employees of the railroads hereinafter mentioned, it is hereby ordered:

ARTICLE I.—RAILROADS AFFECTED.

This order shall apply to the employees of the following railroads:

Alabama & Vicksburg Ry. Co.	Central R. R. Co. of New Jersey.
Alabama Great Southern R. R. Co.	Central Vermont Ry. Co.
Ann Arbor R. R. Co.	Charleston & Western Carolina Ry. Co.
Arizona & New Mexico Ry. Co.	Chesapeake & Ohio Ry. Co.
Arizona Eastern R. R. Co.	Chicago & Alton R. R. Co.
Atchison, Topeka & Santa Fe Ry. Co.	Chicago & Eastern Illinois R. R. Co.
Atlanta & West Point R. R. Co.	Chicago & Erie R. R. Co.
Atlanta, Birmingham & Atlantic Ry. Co.	Chicago & North Western Ry. Co.
Atlantic Coast Line R. R. Co.	Chicago, Burlington & Quincy R. R. Co.
Atlantic & St. Lawrence R. R. Co.	Chicago Great Western R. R. Co.
Atlantic City R. R. Co.	Chicago, Detroit & Canada Grand Trunk Junction R. R. Co.
Baltimore & Ohio R. R. Co.	Chicago, Indianapolis & Louisville Ry. Co.
Bangor & Aroostook R. R. Co.	Chicago, Milwaukee & St. Paul Ry. Co.
Bessemer & Lake Erie R. R. Co.	Chicago, Peoria & St. Louis R. R. Co.
Boston & Maine R. R.	Chicago, Rock Island & Gulf Ry. Co.
Buffalo & Susquehanna R. R. Corporation.	Chicago, Rock Island & Pacific Ry. Co.
Buffalo, Rochester & Pittsburg Ry. Co.	Chicago, St. Paul, Minneapolis & Omaha Ry. Co.
Carolina, Clinchfield & Ohio Ry.	Chicago, Terre Haute & Southeastern Ry. Co.
Central of Georgia Ry. Co.	
Central New England Ry. Co.	

Cincinnati, Indianapolis & Western R. R. Co.	Louisiana & Arkansas Ry. Co.
Cincinnati, New Orleans & Texas Pacific Ry. Co.	Louisiana Ry. & Navigation Co.
Cincinnati Northern R. R. Co.	Louisiana Western R. R. Co.
Cleveland, Cincinnati, Chicago & St. Louis Ry. Co.	Louisville & Nashville R. R. Co.
Coal & Coke Ry. Co.	Louisville, Henderson & St. Louis Ry. Co.
Colorado & Southern Ry. Co.	Maine Central R. R. Co.
Cumberland Valley R. R. Co.	Midland Valley R. R. Co.
Delaware & Hudson Co.	Michigan Central R. R. Co.
Delaware, Lackawanna & Western R. R. Co.	Minneapolis & St. Louis R. R. Co.
Denver & Rio Grande R. R. Co.	Minneapolis, St. Paul & S. Ste. Marie Ry. Co.
Detroit & Mackinac Ry. Co.	Missouri, Kansas & Texas Ry. Co.
Detroit & Toledo Shore Line R. R. Co.	Missouri, Kansas & Texas Ry. Co. of Texas.
Detroit, Grand Haven & Milwaukee Ry. Co.	Missouri Pacific R. R. Co.
Detroit, Toledo & Ironton R. R. Co.	Mobile & Ohio R. R. Co.
Duluth & Iron Range R. R. Co.	Monongahela Ry. Co.
Duluth, Missabe & Northern Ry. Co.	Morgan's Louisiana & Texas R. R. & S. S. Co.
Duluth, South Shore & Atlantic Ry. Co.	Nashville, Chattanooga & St. Louis Ry.
Elgin, Joliet & Eastern Ry. Co.	New Orleans & Northeastern R. R. Co.
El Paso & Southwestern Co.	New Orleans, Texas & Mexico R. R. Co.
Erie R. R. Co.	New York Central R. R. Co.
Florida East Coast Ry. Co.	New York, Chicago & St. Louis R. R. Co.
Fort Smith & Western R. R. Co.	New York, New Haven & Hartford R. R. Co.
Fort Worth & Denver City Ry. Co.	New York, Ontario & Western Ry. Co.
Fort Worth & Rio Grande Ry. Co.	New York, Philadelphia & Norfolk R. R. Co.
Galveston, Harrisburg & San Antonio Ry. Co.	New York, Susquehanna & Western R. R. Co.
Georgia R. R. Lessee Organization.	Norfolk & Western Ry. Co.
Georgia Southern & Florida Ry. Co.	Norfolk Southern R. R. Co.
Grand Rapids & Indiana Ry. Co.	Northern Pacific Ry. Co.
Grand Trunk Western Ry. Co.	Northwestern Pacific R. R. Co.
Great Northern Ry. Co.	Oregon Short Line R. R. Co.
Gulf & Ship Island R. R. Co.	Oregon-Washington R. R. & Navigation Co.
Gulf, Colorado & Santa Fe Ry. Co.	Panhandle & Santa Fe Ry. Co.
Gulf, Mobile & Northern R. R.	Pennsylvania Co.
Hocking Valley Ry. Co.	Pennsylvania R. R. Co.
Houston & Texas Central R. R. Co.	Pere Marquette R. R. Co.
Houston East & West Texas R. R. Co.	Philadelphia & Reading Ry. Co.
Hudson & Manhattan R. R.	Philadelphia, Baltimore & Washington R. R. Co.
Illinois Central R. R. Co.	Pittsburgh & Lake Erie R. R. Co.
International & Great Northern Ry. Co.	Pittsburgh & Shawmut R. R. Co.
Kanawha & Michigan Ry. Co.	Pittsburgh & West Virginia Ry. Co.
Kansas City Southern Ry. Co.	Pittsburgh, Cincinnati, Chicago & St. Louis R. R. Co.
Lake Erie & Western R. R. Co.	
Lehigh & Hudson River Ry. Co.	
Lehigh & New England R. R. Co.	
Lehigh Valley R. R. Co.	
Long Island R. R. Co.	
Los Angeles & Salt Lake R. R. Co.	

Port Reading R. R. Co.	Texas & Pacific Ry. Co.
Richmond, Fredericksburg & Potomac R. R. Co.	Toledo & Ohio Central Ry. Co.
Rutland R. R. Co.	Toledo, Peoria & Western Ry. Co.
Seaboard Air Line Ry. Co.	Toledo, St. Louis & Western R. R. Co.
San Antonio & Aransas Pass Ry. Co.	Ulster & Delaware R. R. Co.
Southern Pacific Co.	Union Pacific R. R. Co.
Southern Ry. Co.	Utah Ry. Co.
Southern Ry. Co. in Mississippi.	Vicksburg, Shreveport & Pacific Ry. Co.
Spokane, International Ry. Co.	Virginian Ry. Co.
Spokane, Portland & Seattle Ry. Co.	Wabash Ry. Co.
Staten Island Rapid Transit Ry. Co.	Washington Southern Ry. Co.
St. Joseph & Grand Island Ry. Co.	West Jersey & Seashore R. R. Co.
St. Louis, Brownsville & Mexico Ry. Co.	Western Maryland Ry. Co.
St. Louis-San Francisco Ry. Co.	Western Pacific R. R. Co.
St. Louis, San Francisco & Texas Ry. Co.	Western Ry. of Alabama.
St. Louis Southwestern Ry. Co.	Wheeling & Lake Erie R. R. Co.
St. Louis Southwestern Ry. Co. of Texas.	Wichita Falls & Northwestern Ry. Co.
Tennessee Central R. R. Co.	Wichita Valley Ry. Co.
Texarkana & Fort Smith Ry. Co.	Yazoo & Mississippi Valley R. R. Co.
Texas & New Orleans R. R. Co.	And all terminal, union station, and switching companies, all or a ma- jority of whose stock is owned by railroads named above.

Such other railroads as may be retained in Federal control on July 1, 1918, will be added to the foregoing list by order of the Director General.

The Pullman Co., whose status is now being considered, will also be added by order to the foregoing list, if decision shall be reached to retain it in Federal control.

ARTICLE II.—RATES OF WAGES AND METHODS OF COMPUTATION.

Increases in wages, effective as hereinafter provided, January 1, 1918, are hereby established as follows:

SECTION A.—*Rates of wages of railroad employees paid upon a monthly basis.*

1	2	3	4
To the monthly rate of pay of men receiving in December, 1915, the amounts named in this column.	Add the per cent named in this column.	Equivalent to amount named in this column.	Making new rate per month as shown in this column.
Under \$46 (except as provided in par. 13, page 22).....	\$20.00
\$46.01 to \$47.....	43	20.21	\$67.21
\$47.01 to \$48.....	43	20.64	68.64
\$48.01 to \$49.....	43	21.07	70.07
\$49.01 to \$50.....	43	21.50	71.50

Columns 2 and 3 in the above table are explanatory of the method of arriving at the "new rates" included in column 4. The roads will substitute for the "old rates" of December, 1915, scheduled in column 1, the "new rates" listed in column 4.

SECTION A.—*Rates of wages of railroad employees paid upon a monthly basis—Continued.*

1	2	3	4
To the monthly rate of pay of men receiving in December, 1915, the amounts named in this column.	Add the per cent named in this column.	Equivalent to amount named in this column.	Making new rate per month as shown in this column.
\$50.01 to \$51.....	42.35	\$21.60	\$72.60
\$51.01 to \$52.....	41.73	21.70	73.70
\$52.01 to \$53.....	41	21.73	74.73
\$53.01 to \$54.....	41	22.14	76.14
\$54.01 to \$55.....	41	22.55	77.55
\$55.01 to \$56.....	41	22.96	78.96
\$56.01 to \$57.....	41	23.27	80.37
\$57.01 to \$58.....	41	23.78	81.78
\$58.01 to \$59.....	41	24.19	83.19
\$59.01 to \$60.....	41	24.60	84.60
\$60.01 to \$61.....	41	25.01	86.01
\$61.01 to \$62.....	41	25.42	87.42
\$62.01 to \$63.....	41	25.83	88.83
\$63.01 to \$64.....	41	26.24	90.24
\$64.01 to \$65.....	41	26.65	91.65
\$65.01 to \$66.....	41	27.06	93.06
\$66.01 to \$67.....	41	27.47	94.47
\$67.01 to \$68.....	41	27.88	95.88
\$68.01 to \$69.....	41	28.29	97.29
\$69.01 to \$70.....	41	28.70	98.70
\$70.01 to \$71.....	41	29.11	100.11
\$71.01 to \$72.....	41	29.52	101.52
\$72.01 to \$73.....	41	29.93	102.93
\$73.01 to \$74.....	41	30.34	104.34
\$74.01 to \$75.....	41	30.75	105.75
\$75.01 to \$76.....	41	31.16	107.16
\$76.01 to \$77.....	41	31.57	108.57
\$77.01 to \$78.....	41	31.98	109.98
\$78.01 to \$79.....	41	32.39	111.39
\$79.01 to \$80.....	40.87	32.70	112.70
\$80.01 to \$81.....	40.44	32.75	113.75
\$81.01 to \$82.....	40	32.80	114.80
\$82.01 to \$83.....	40	33.20	116.20
\$83.01 to \$84.....	40	33.60	117.60
\$84.01 to \$85.....	40	34.00	119.00
\$85.01 to \$86.....	39.36	33.85	119.85
\$86.01 to \$87.....	38.74	33.70	120.70
\$87.01 to \$88.....	38.13	33.55	121.55
\$88.01 to \$89.....	37.53	33.40	122.40
\$89.01 to \$90.....	36.95	33.25	123.25
\$90.01 to \$91.....	36.38	33.10	124.10
\$91.01 to \$92.....	35.82	32.95	124.95
\$92.01 to \$93.....	35.27	32.80	125.80
\$93.01 to \$94.....	34.74	32.65	126.65
\$94.01 to \$95.....	34.22	32.50	127.50
\$95.01 to \$96.....	33.70	32.35	128.35
\$96.01 to \$97.....	33.20	32.20	129.20
\$97.01 to \$98.....	32.71	32.05	130.05
\$98.01 to \$99.....	32.23	31.90	130.90
\$99.01 to \$100.....	31.75	31.75	131.75
\$100.01 to \$101.....	31.29	31.60	132.60
\$101.01 to \$102.....	30.84	31.45	133.45
\$102.01 to \$103.....	30.39	31.30	134.30

Columns 2 and 3 in the above table are explanatory of the method of arriving at the "new rates" included in column 4. The roads will substitute for the "old rates" of December, 1915, scheduled in column 1, the "new rates" listed in column 4.

SECTION A.—Rates of wages of railroad employees paid upon a monthly basis—Continued.

1	2	3	4
To the monthly rate of pay of men receiving in December, 1915, the amounts named in this column.	Add the per cent named in this column.	Equivalent to amount named in this column.	Making new rate per month as shown in this column.
\$103.01 to \$104.....	29. 96	\$31. 15	\$135. 15
\$104.01 to \$105.....	29. 53	31. 00	136. 00
\$105.01 to \$106.....	29. 11	30. 85	136. 85
\$106.01 to \$107.....	28. 70	30. 70	137. 70
\$107.01 to \$108.....	28. 29	30. 55	138. 55
\$108.01 to \$109.....	27. 89	30. 40	139. 40
\$109.01 to \$110.....	27. 50	30. 25	140. 25
\$110.01 to \$111.....	27. 12	30. 10	141. 10
\$111.01 to \$112.....	26. 74	29. 95	141. 95
\$112.01 to \$113.....	26. 38	29. 80	142. 80
\$113.01 to \$114.....	26. 01	29. 65	143. 65
\$114.01 to \$115.....	25. 66	29. 50	144. 50
\$115.01 to \$116.....	25. 31	29. 35	145. 35
\$116.01 to \$117.....	24. 96	29. 20	146. 20
\$117.01 to \$118.....	24. 62	29. 05	147. 05
\$118.01 to \$119.....	24. 29	28. 90	147. 90
\$119.01 to \$120.....	23. 96	28. 75	148. 75
\$120.01 to \$121.....	23. 64	28. 60	149. 60
\$121.01 to \$122.....	23. 32	28. 45	150. 45
\$122.01 to \$123.....	23. 01	28. 30	151. 30
\$123.01 to \$124.....	22. 70	28. 15	152. 15
\$124.01 to \$125.....	22. 40	28. 00	153. 00
\$125.01 to \$126.....	22. 11	27. 85	153. 85
\$126.01 to \$127.....	21. 81	27. 70	154. 70
\$127.01 to \$128.....	21. 53	27. 55	155. 55
\$128.01 to \$129.....	21. 24	27. 40	156. 40
\$129.01 to \$130.....	20. 96	27. 25	157. 25
\$130.01 to \$131.....	20. 69	27. 10	158. 10
\$131.01 to \$132.....	20. 42	26. 95	158. 95
\$132.01 to \$133.....	20. 15	26. 80	159. 80
\$133.01 to \$134.....	19. 89	26. 65	160. 65
\$134.01 to \$135.....	19. 63	26. 50	161. 50
\$135.01 to \$136.....	19. 38	26. 35	162. 35
\$136.01 to \$137.....	19. 13	26. 20	163. 20
\$137.01 to \$138.....	18. 88	26. 05	164. 05
\$138.01 to \$139.....	18. 64	25. 90	164. 90
\$139.01 to \$140.....	18. 39	25. 75	165. 75
\$140.01 to \$141.....	18. 16	25. 60	166. 60
\$141.01 to \$142.....	17. 92	25. 45	167. 45
\$142.01 to \$143.....	17. 69	25. 30	168. 30
\$143.01 to \$144.....	17. 47	25. 15	169. 15
\$144.01 to \$145.....	17. 24	25. 00	170. 00
\$145.01 to \$146.....	17. 02	24. 85	170. 85
\$146.01 to \$147.....	16. 80	24. 70	171. 70
\$147.01 to \$148.....	16. 59	24. 55	172. 55
\$148.01 to \$149.....	16. 38	24. 40	173. 40
\$149.01 to \$150.....	16. 17	24. 25	174. 25
\$150.01 to \$151.....	15. 96	24. 10	175. 10
\$151.01 to \$152.....	15. 76	23. 95	175. 95
\$152.01 to \$153.....	15. 56	23. 80	176. 80
\$153.01 to \$154.....	15. 36	23. 65	177. 65
\$154.01 to \$155.....	15. 16	23. 50	178. 50

Columns 2 and 3 in the above table are explanatory of the method of arriving at the "new rates" included in column 4. The roads will substitute for the "old rates" of December, 1915, scheduled in column 1, the "new rates" listed in column 4.

SECTION A.—Rates of wages of railroad employees paid upon a monthly basis—
Continued.

1	2	3	4
To the monthly rate of pay of men receiving in December, 1915, the amounts named in this column.	Add the per cent named in this column.	Equivalent to amount named in this column.	Making new rate per month as shown in this column.
\$155.01 to \$156.....	14.97	\$23.35	\$179.35
\$156.01 to \$157.....	14.78	23.20	180.20
\$157.01 to \$158.....	14.59	23.05	181.05
\$158.01 to \$159.....	14.40	22.90	181.90
\$159.01 to \$160.....	14.22	22.75	182.75
\$160.01 to \$161.....	14.04	22.60	183.60
\$161.01 to \$162.....	13.86	22.45	184.45
\$162.01 to \$163.....	13.68	22.30	185.30
\$163.01 to \$164.....	13.51	22.15	186.15
\$164.01 to \$165.....	13.33	22.00	187.00
\$165.01 to \$166.....	13.16	21.85	187.85
\$166.01 to \$167.....	13.00	21.70	188.70
\$167.01 to \$168.....	12.83	21.55	189.55
\$168.01 to \$169.....	12.66	21.40	190.40
\$169.01 to \$170.....	12.50	21.25	191.25
\$170.01 to \$171.....	12.34	21.10	192.10
\$171.01 to \$172.....	12.18	20.95	192.95
\$172.01 to \$173.....	12.02	20.80	193.80
\$173.01 to \$174.....	11.87	20.65	194.65
\$174.01 to \$175.....	11.71	20.50	195.50
\$175.01 to \$176.....	11.56	20.35	196.35
\$176.01 to \$177.....	11.41	20.20	197.20
\$177.01 to \$178.....	11.26	20.05	198.05
\$178.01 to \$179.....	11.12	19.90	198.90
\$179.01 to \$180.....	10.97	19.75	199.75
\$180.01 to \$181.....	10.83	19.60	200.60
\$181.01 to \$182.....	10.69	19.45	201.45
\$182.01 to \$183.....	10.55	19.30	202.30
\$183.01 to \$184.....	10.41	19.15	203.15
\$184.01 to \$185.....	10.27	19.00	204.00
\$185.01 to \$186.....	10.14	18.85	204.85
\$186.01 to \$187.....	10.00	18.70	205.70
\$187.01 to \$188.....	9.87	18.55	206.55
\$188.01 to \$189.....	9.74	18.40	207.40
\$189.01 to \$190.....	9.61	18.25	208.25
\$190.01 to \$191.....	9.48	18.10	209.10
\$191.01 to \$192.....	9.35	17.95	209.95
\$192.01 to \$193.....	9.22	17.80	210.80
\$193.01 to \$194.....	9.10	17.65	211.65
\$194.01 to \$195.....	8.97	17.50	212.50
\$195.01 to \$196.....	8.85	17.35	213.35
\$196.01 to \$197.....	8.73	17.20	214.20
\$197.01 to \$198.....	8.61	17.05	215.05
\$198.01 to \$199.....	8.49	16.90	215.90
\$199.01 to \$200.....	8.375	16.75	216.75
\$200.01 to \$201.....	8.26	16.60	217.60
\$201.01 to \$202.....	8.14	16.45	218.45
\$202.01 to \$203.....	8.03	16.30	219.30
\$203.01 to \$204.....	7.92	16.15	220.15
\$204.01 to \$205.....	7.80	16.00	221.00
\$205.01 to \$206.....	7.69	15.85	221.85
\$206.01 to \$207.....	7.58	15.70	222.70

Columns 2 and 3 in the above table are explanatory of the method of arriving at the "new rates" included in column 4. The roads will substitute for the "old rates" of December, 1915, scheduled in column 1, the "new rates" listed in column 4.

SECTION A.—Rates of wages of railroad employees paid upon a monthly basis—Continued.

1	2	3	4
To the monthly rate of pay of men receiving in December, 1915, the amounts named in this column.	Add the per cent named in this column.	Equivalent to amount named in this column.	Making new rate per month as shown in this column.
\$207.01 to \$208	7.48	\$15.55	\$223.55
\$208.01 to \$209	7.37	15.40	224.40
\$209.01 to \$210	7.26	15.25	225.25
\$210.01 to \$211	7.16	15.10	226.10
\$211.01 to \$212	7.05	14.95	226.95
\$212.01 to \$213	6.95	14.80	227.80
\$213.01 to \$214	6.85	14.65	228.65
\$214.01 to \$215	6.74	14.50	229.50
\$215.01 to \$216	6.64	14.35	230.35
\$216.01 to \$217	6.54	14.20	231.20
\$217.01 to \$218	6.445	14.05	232.05
\$218.01 to \$219	6.35	13.90	232.90
\$219.01 to \$220	6.25	13.75	233.75
\$220.01 to \$221	6.15	13.60	234.60
\$221.01 to \$222	6.06	13.45	235.45
\$222.01 to \$223	5.96	13.30	236.30
\$223.01 to \$224	5.87	13.15	237.15
\$224.01 to \$225	5.78	13.00	238.00
\$225.01 to \$226	5.69	12.85	238.85
\$226.01 to \$227	5.595	12.70	239.70
\$227.01 to \$228	5.50	12.55	240.55
\$228.01 to \$229	5.415	12.40	241.40
\$229.01 to \$230	5.33	12.25	242.25
\$230.01 to \$231	5.24	12.10	243.10
\$231.01 to \$232	5.15	11.95	243.95
\$232.01 to \$233	5.065	11.80	244.80
\$233.01 to \$234	4.98	11.65	245.65
\$234.01 to \$235	4.89	11.50	246.50
\$235.01 to \$236	4.81	11.35	247.35
\$236.01 to \$237	4.73	11.20	248.20
\$237.01 to \$238	4.64	11.05	249.05
\$238.01 to \$239	4.56	10.90	249.90
\$239.01 to \$240		10.00	250.00
\$240.01 to \$241		9.00	250.00
\$241.01 to \$242		8.00	250.00
\$242.01 to \$243		7.00	250.00
\$243.01 to \$244		6.00	250.00
\$244.01 to \$245		5.00	250.00
\$245.01 to \$246		4.00	250.00
\$246.01 to \$247		3.00	250.00
\$247.01 to \$248		2.00	250.00
\$248.01 to \$249		1.00	250.00
\$249.01 to \$250		.00	250.00

Columns 2 and 3 in the above table are explanatory of the method of arriving at the "new rates" included in column 4. The roads will substitute for the "old rates" of December, 1915, scheduled in column 1, the "new rates" listed in column 4.

METHOD OF APPLYING INCREASES TO MONTHLY RATES.

1. The employee who holds the same position to-day that he did the last day of December, 1915, and who then received \$75 a month and has received no increase since, will receive an additional wage of \$30.75 per month. If he has received an increase in these two years of \$10 per month, the recommended increase of his wage will be cut down by that much, making his net advance \$20.75

2. Employee "A" occupied the same position in 1915 and in 1918: Salary, 1915, \$150 per month; 1918, \$175 per month.

Basis of increase on salaries of \$150 per month is 16.17 per cent, or \$24.25 per month. New salary, \$174.25; present salary, \$175. Present salary undisturbed.

3. Employee "B" in 1915 received \$100, and on the same desk in 1918 received \$112.50 per month. Basis of increase on \$100, 31.75 per cent, or \$31.75. New salary, \$131.75. Present salary, \$112.50. Employee "B" is entitled to receive back pay from January 1, at the rate of \$19.25 (the difference between \$131.75 and \$112.50), and to receive monthly, hereafter, \$131.75 instead of \$112.50. Back pay due January 1 to May 31, \$96.25.

4. Employee in December, 1915, received \$100 per month, entitles him, with this increase, to \$131.75. His salary had been raised for same position on January 1, 1918, to \$135. He is not, therefore, entitled to any advance or back pay. Present salary undisturbed.

SECTION B.—Rates of wages of railroad employees paid upon daily basis.

Old rate per day.	New rate per day.						
\$0.75	\$1.52	\$2.50	\$3.53	\$4.25	\$5.40	\$5.95	\$6.85
.80	1.57	2.55	3.60	4.30	5.45	6.00	6.90
.85	1.62	2.60	3.67	4.35	5.49	6.05	6.94
.90	1.67	2.65	3.74	4.40	5.53	6.10	6.98
.95	1.72	2.70	3.81	4.45	5.58	6.15	7.02
1.00	1.77	2.75	3.88	4.50	5.62	6.20	7.06
1.05	1.82	2.80	3.95	4.55	5.66	6.25	7.11
1.10	1.87	2.85	4.02	4.60	5.71	6.30	7.15
1.15	1.92	2.90	4.09	4.65	5.75	6.35	7.19
1.20	1.97	2.95	4.16	4.70	5.79	6.40	7.23
1.25	2.02	3.00	4.23	4.75	5.83	6.45	7.28
1.30	2.07	3.05	4.30	4.80	5.88	6.50	7.32
1.35	2.12	3.10	4.36	4.85	5.92	6.55	7.36
1.40	2.17	3.15	4.41	4.90	5.96	6.60	7.41
1.45	2.22	3.20	4.48	4.95	6.00	6.65	7.45
1.50	2.27	3.25	4.55	5.00	6.05	6.70	7.49
1.55	2.32	3.30	4.60	5.05	6.09	6.75	7.53
1.60	2.37	3.35	4.65	5.10	6.13	6.80	7.58
1.65	2.42	3.40	4.70	5.15	6.17	6.85	7.62
1.70	2.47	3.45	4.72	5.20	6.21	6.90	7.66
1.75	2.52	3.50	4.77	5.25	6.26	6.95	7.70
1.80	2.57	3.55	4.81	5.30	6.30	7.00	7.75
1.85	2.65	3.60	4.85	5.35	6.34	7.05	7.79
1.90	2.72	3.65	4.90	5.40	6.38	7.10	7.83
1.95	2.77	3.70	4.94	5.45	6.43	7.15	7.88
2.00	2.83	3.75	4.98	5.50	6.47	7.20	7.91
2.05	2.89	3.80	5.03	5.55	6.51	7.25	7.96
2.10	2.96	3.85	5.07	5.60	6.55	7.30	8.00
2.15	3.03	3.90	5.11	5.65	6.60	7.35	8.04
2.20	3.10	3.95	5.15	5.70	6.64	7.40	8.08
2.25	3.17	4.00	5.20	5.75	6.68	7.45	8.13
2.30	3.24	4.05	5.24	5.80	6.73	7.50	8.17
2.35	3.31	4.10	5.28	5.85	6.77	7.55	8.21
2.40	3.38	4.15	5.32	5.90	6.81	7.60	8.25
2.45	3.45	4.20	5.36				

"Old rates" are those of December, 1915.

For common labor paid by the day, the scale of new rates per day shown shall apply, with the provision, however, that as a minimum 20 cents per 8-hour day, $22\frac{1}{2}$ cents per 9-hour day, 25 cents per 10-hour day, $27\frac{1}{2}$ cents per 11-hour day, and 30 cents per 12-hour day will be added to the rates paid per day as of December 31, 1917.

METHOD OF APPLYING INCREASES TO DAILY RATES.

1. Employee, December, 1915, \$3.00:

Increased to new rate of \$4.23 per day.....	\$109.98
Jan. 1, 1918, his pay was raised for same work to \$3.50 per day, equal per month to.....	91.00

Difference in pay:

1 month.....	18.98
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5 months.....	94.90
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An 8-hour 26-day month both years.

Worked 62 hours overtime, at new 1918 rate.....	52.9¢	\$32.80	
Was paid 62 hours overtime at.....	37.5¢	23.25	9.55

Total back pay due Jan. 1 to May 31, 1918.....	104.45
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2. Employee "C" was employed in 1918 but not in 1915. Rate of pay on the district where he is employed in 1918, in 1915 was \$1.10 per day. The 1918 rate of pay is, on the same district, \$1.50 per day. The new rate is \$1.87 per day. He will, therefore, be entitled to receive from January 1, 1918, to May 31, 1918, 37 cents per day additional for each day he worked in that period.

SECTION C.—*Rates of wages of railroad employees paid upon hourly basis.*

[Rates of pay in cents per hour. "Old rates" are those of December, 1915.]

Old rate per hour.	New rate per hour.	Old rate per hour.	New rate per hour.	Old rate per hour.	New rate per hour.	Old rate per hour.	New rate per hour.
10	19.75	20	29.75	30	42.50	40	56.00
10.5	20.25	20.5	30.25	30.5	43.00	40.5	56.75
11	20.75	21	30.75	31	43.75	41	57.25
11.5	21.25	21.5	31.25	31.5	44.50	41.5	57.75
12	21.75	22	31.75	32	45.25	42	58.25
12.5	22.25	22.5	32.25	32.5	46.00	42.5	58.50
13	22.75	23	33.00	33	46.75	43	59.00
13.5	23.25	23.5	33.75	33.5	47.25	43.5	59.50
14	23.75	24	34.50	34	48.00	44	60.00
14.5	24.25	24.5	35.00	34.5	48.75	44.5	60.25
15	24.75	25	35.50	35	49.50	45	60.75
15.5	25.25	25.5	36.00	35.5	50.25	45.5	61.25
16	25.75	26	36.75	36	51.00	46	61.50
16.5	26.25	26.5	37.50	36.5	51.50	46.5	62.00
17	26.75	27	38.25	37	52.25	47	62.50
17.5	27.25	27.5	39.00	37.5	53.00	47.5	63.00
18	27.75	28	39.50	38	53.75	48	63.25
18.5	28.25	28.5	40.25	38.5	54.25	48.5	63.75
19	28.75	29	41.00	39	54.75	49	64.25
19.5	29.25	29.5	41.75	39.5	55.50	49.5	64.75

SECTION C.—*Rates of wages of railroad employees paid upon hourly basis—Continued.*

[Rates of pay in cents per hour. "Old rates" are those of December, 1915.]

Old rate per hour.	New rate per hour.						
50	65.00	68	80.25	86	95.75	104	111.00
50.5	65.25	68.5	80.75	86.5	96.00	104.5	111.25
51	65.75	69	81.25	87	96.50	105	111.75
51.5	66.25	69.5	81.50	87.5	97.00	105.5	112.25
52	66.50	70	82.00	88	97.25	106	112.75
52.5	67.00	70.5	82.50	88.5	97.75	106.5	113.00
53	67.50	71	83.00	89	98.25	107	113.50
53.5	68.00	71.5	83.25	89.5	98.50	107.5	114.00
54	68.25	72	83.75	90	99.00	108	114.25
54.5	68.75	72.5	84.25	90.5	99.50	108.5	114.75
55	69.25	73	84.50	91	99.75	109	115.25
55.5	69.75	73.5	85.00	91.5	100.25	109.5	115.75
56	70.00	74	85.50	92	100.75	110	116.00
56.5	70.50	74.5	86.00	92.5	101.25	110.5	116.50
57	71.00	75	86.25	93	101.50	111	117.00
57.5	71.50	75.5	86.75	93.5	102.00	111.5	117.25
58	71.75	76	87.00	94	102.50	112	117.75
58.5	72.25	76.5	87.50	94.5	102.75	112.5	118.25
59	72.75	77	88.00	95	103.25	113	118.50
59.5	73.00	77.5	88.25	95.5	103.75	113.5	119.00
60	73.50	78	88.75	96	104.25	114	119.50
60.5	74.00	78.5	89.25	96.5	104.50	114.5	119.75
61	74.50	79	89.75	97	105.00	115	120.00
61.5	74.75	79.5	90.00	97.5	105.50	115.5	120.00
62	75.25	80	90.50	98	106.00	116	120.00
62.5	75.75	80.5	91.00	98.5	106.25	116.5	120.00
63	76.00	81	91.50	99	106.75	117	120.00
63.5	76.50	81.5	91.75	99.5	107.25	117.5	120.00
64	76.75	82	92.25	100	107.50	118	120.00
64.5	77.25	82.5	92.75	100.5	108.00	118.5	120.00
65	77.75	83	93.00	101	108.25	119	120.00
65.5	78.25	83.5	93.50	101.5	108.75	119.5	120.00
66	78.50	84	94.00	102	109.25	120	120.00
66.5	79.00	84.5	94.50	102.5	109.75		
67	79.50	85	94.75	103	110.00		
67.5	79.75	85.5	95.25	103.5	110.50		

While it is expected that the Board of Railroad Wages and Working Conditions hereinafter created shall give consideration to all questions of inequality as between individuals and classes of employees throughout, sufficient information is available to justify certain conclusions with respect to the mechanical crafts, and in the case of machinists, boilermakers, blacksmiths, and other shop mechanics who have been receiving the same hourly rates, the increases named in this order shall apply, with a minimum wage of 55 cents per hour.

It is recognized that this may still leave among shop employees certain inequalities as to individual employees, to which the Board of Railroad Wages and Working Conditions will give prompt consideration.

For common labor paid by the hour, the scale named herein shall apply, with the provision, however, that as a minimum, 2½ cents per hour will be added to the rates paid per hour, as of December 31, 1917.

METHOD OF APPLYING INCREASES TO HOURLY RATES.

1. Machinist worked in January, 1918, 8 hours per day, 27 days, total 216 hours straight time.

The rate of pay for this position in December, 1915, was 34 cents per hour; new rate under this order 48 cents per hour, but with minimum rate of 55 cents per hour as herein ordered will receive----- \$118.80
In January, 1918, his rate of pay was 37½ cents per hour, for 216 hours, equals----- 81.00

Difference 1 month-----	37.80
On basis of working same amount straight time each month for five months (Jan. 1 to May 31)-----	189.00
Also worked in same period 90 hours overtime at time and one-half, new 55 cents minimum rate, or 82½ cents, equals-----	\$74.25
Was paid 56½ cents (time and one-half)-----	50.63
	23.62

Balance due January 1 to May 31, 1918----- 212.62

2. Machinist worked in January, 1918, 10 hours per day, 26 days, total 260 hours straight time.

The rate of pay for this position in 1915 was 34 cents per hour; new rate under this order, 48 cents per hour, but with minimum rate of 55 cents per hour as herein ordered will receive----- \$143.00
In January, 1918, his rate of pay was 37½ cents per hour, 260 hours equals----- 97.50

Difference 1 month-----	45.50
On basis of working same amount of straight time each month for 5 months (Jan. 1 to May 31)-----	\$227.50
Also worked in same period 90 hours overtime at pro rata rate, new 55-cent minimum rate, equals-----	\$49.50
Was paid at 37½-cent rate pro rata overtime or-----	33.75
	15.75

Balance due Jan. 1 to May 31, 1918----- 243.25

3. Machinist "D" was employed in the same shop in December, 1915, and in 1918 on the same class of work. His hourly rate in December, 1915, was 35 cents for 9 hours, 26 days a month. He was paid for overtime and Sunday work at time and one-half. On January 1, 1918, his hours were reduced to 8 and his rate increased to 40 cents. The new hourly rate applicable to his 1915 rate, viz: 49½ cents being less than the minimum of 55 cents, his new rate will be 55 cents per hour. In 1918, from January 1 to May 31, he

worked 234 hours per month or an average of one hour overtime daily on the 1918 schedule. This for five months gives him 130 hours overtime. He has been paid as follows:

1,040 hours straight time, at 40 cents-----	\$416.00
130 hours overtime, at 60 cents-----	78.00
Total -----	494.00

His back pay will be computed as follows:

1,040 hours straight time, at 55 cents-----	572.00
130 hours overtime, at 82½ cents-----	107.25
Total -----	679.25
Deduct payment at 1918 rates-----	494.00
Back pay due-----	185.25

and his future rate per hour will be 55 cents.

4. In the case of employee "E," who was employed in a shop where the rate for his position was 35 cents per hour for 8 hours' work in 1915, with time and one-half for overtime, but in the same position and same shop with the same hours in 1918 his rate is 45 cents per hour: his earnings in 1915 in the standard 208-hour month would be \$72.80 per month, and he would be entitled to the new hourly rate of 49½ cents per hour. His straight time and overtime earnings and back pay would be computed in exactly the same manner as machinist "D." The principles illustrated will apply to all men paid by the hour, whatever their occupation may be.

SECTION D.—*Rates of wages of railroad employees paid upon piece-work basis.*

METHOD OF APPLYING INCREASES TO PIECE RATES.

1. The pieceworker shall receive for each hour worked, the same increase per hour as is awarded to the hourly worker engaged in similar employment in the same shop.
2. If the hourly rate has been increased since 1915 to an amount greater than the increase herein fixed, then the higher rate shall prevail.
3. Where there was no piece rate for an item or operation in the piece-rate schedule of 1915, adjust the current price by such an amount as a similar item or operation has been increased or decreased since December 31, 1915, or as near such a plan as practicable.
4. It is understood that the application of this order shall not, in any case, operate to reduce current earnings.

5. When a pieceworker works overtime or undertime, he shall receive that proportion of the increase provided in the schedule which the time actually worked bears to the normal time in the position.

6. Overtime is not to be considered solely as the number of hours employed in excess of the normal hours per month in the position, but rather the time employed in excess of the normal hours per day.

7. Employee "F" was employed under a piecework schedule in a shop where the basic hourly rate was 35 cents for eight hours, with time and one-half for overtime. This rate under the plan illustrated above will be increased to $49\frac{1}{2}$ cents per hour. Difference, $14\frac{1}{2}$ cents.

Regardless of the schedule of piece rates under which he is paid, under this order "F" will be entitled to receive $14\frac{1}{2}$ cents per hour in addition to his piecework earnings for every hour worked in 1918 unless the hourly rate shall in the interim have been raised and a proportionate increase made in the piecework schedule.

For example: Assume that "F" made \$90 in December, 1915, at his piecework. At the hourly rate he would have earned only \$72.80, and his hourly rate must therefore be increased to $49\frac{1}{2}$ cents.

If, in January, 1918, he has attained sufficient skill to earn \$100 on the same piecework schedule, he will be entitled to receive, nevertheless, $14\frac{1}{2}$ cents per hour for each hour of straight time worked, and for each hour of overtime, $21\frac{3}{4}$ cents additional (if time and one-half for overtime is in effect).

Assume that in the five months, January 1 to May 31, "F" has worked 1,040 hours straight time, and 130 hours overtime, and has, at his piecework schedule earned \$500. He will be entitled, nevertheless, to receive as back pay the following amount:

1,040 hours at $14\frac{1}{2}$ cents per hour	\$150.80
130 hours at $21\frac{3}{4}$ cents per hour	28.28
Total	179.08

But if in January, 1918, the basic hourly rate had been increased to 50 cents, and this increase had been correspondingly expressed in his piecework schedule, he would be entitled to no back pay. If, on the other hand, the hourly rate had been increased from 35 cents in 1915 to 45 on January 1, 1918, and this increase had been expressed in a corresponding increase in the piecework schedule, then "F" would be entitled to receive back pay at $4\frac{1}{2}$ cents per hour for straight time and $6\frac{3}{4}$ cents per hour overtime.

If the practice in the shop, however, had been to pay pro rata for overtime, then the rate for such overtime since January 1, 1918, would be pro rata at $4\frac{1}{2}$ cents, or $14\frac{1}{2}$ cents per hour, according to whether piece rates had been or had not been increased.

8. Employee's December, 1915, rate was $38\frac{1}{2}$ cents; which rate in this order for 8 hours per day entitles him to $54\frac{1}{4}$ cents per hour.

His basic rate had, by January 1, 1918, been raised to 42½ cents per hour. Piecework rates had not been raised in the interval. This man earned in 208 hours \$100. He is entitled to a raise of 11¾ cents per hour.

11¾ cents × 208:

1 month		\$24.44
5 months		122.20

The following rates will apply "per day" or its established equivalent in "miles":

SECTION E.—*Rates of wages of railroad employees paid upon mileage basis.*

PASSENGER ENGINEERS.

Old.	New.	Old.	New.	Old.	New.	Old.	New.
\$4.10	\$4.56	\$4.53	\$5.04	\$4.95	\$5.51	\$5.55	\$6.17
4.15	4.62	4.55	5.06	5.00	5.56	5.65	6.29
4.20	4.67	4.60	5.12	5.05	5.62	5.90	6.56
4.25	4.73	4.65	5.17	5.13	5.71	6.00	6.68
4.30	4.78	4.70	5.23	5.15	5.73	6.05	6.73
4.35	4.84	4.75	5.28	5.28	5.87	6.25	6.95
4.40	4.90	4.78	5.32	5.35	5.95	6.30	7.01
4.45	4.95	4.80	5.34	5.40	6.01	6.50	7.23
4.50	5.01	4.90	5.45	5.53	6.15	7.00	7.79

PASSENGER FIREMEN.

\$1.91	\$2.46	\$2.60	\$3.35	\$2.84	\$3.66	\$3.30	\$4.25
2.25	2.90	2.62	3.37	2.85	3.67	3.35	4.31
2.33	3.00	2.65	3.41	2.90	3.73	3.40	4.38
2.34	3.01	2.69	3.46	2.95	3.80	3.45	4.44
2.40	3.09	2.70	3.48	3.00	3.86	3.60	4.64
2.42	3.12	2.75	3.54	3.05	3.93	3.75	4.83
2.45	3.15	2.76	3.55	3.10	3.99	4.00	5.15
2.50	3.22	2.78	3.58	3.15	4.06	4.15	5.34
2.51	3.23	2.80	3.61	3.20	4.12	4.25	5.47
2.55	3.28						

PASSENGER CONDUCTORS.

\$2.50	\$2.89	\$2.68	\$3.10	\$2.90	\$3.35	\$3.47	\$4.01
2.60	3.00	2.75	3.18				

PASSENGER BAGGAGEMEN.

\$1.40	\$1.94	\$1.49	\$2.06	\$1.61	\$2.23	\$1.70	\$2.35
1.45	2.00	1.54	2.13	1.65	2.28	2.00	2.77

PASSENGER TRAINMEN.

\$1.35	\$1.88	\$1.47	\$2.05	\$1.50	\$2.09	\$1.60	\$2.23
1.43	1.99	1.49	2.08	1.55	2.16	1.87	2.61
1.46	2.04						

SECTION E.—*Rates of wages of railroad employees paid upon mileage basis—Con.*

FREIGHT ENGINEERS.

Old.	New.	Old.	New.	Old.	New.	Old.	New.
\$4.25	\$4.91	\$5.05	\$5.83	\$5.40	\$6.24	\$5.90	\$6.81
4.50	5.20	5.06	5.84	5.43	6.27	5.95	6.87
4.70	5.43	5.10	5.89	5.45	6.29	5.995	6.925
4.75	5.49	5.13	5.93	5.50	6.35	6.00	6.93
4.80	5.54	5.145	5.95	5.55	6.41	6.10	7.05
4.85	5.60	5.15	5.95	5.555	6.415	6.25	7.22
4.86	5.61	5.17	5.97	5.60	6.47	6.50	7.51
4.87	5.62	5.20	6.01	5.61	6.48	6.75	7.80
4.88	5.64	5.25	6.06	5.65	6.53	6.80	7.85
4.89	5.65	5.28	6.10	5.665	6.545	6.85	7.91
4.90	5.66	5.30	6.12	5.70	6.58	6.90	7.97
4.95	5.72	5.33	6.16	5.75	6.64	6.95	8.03
4.97	5.74	5.35	6.18	5.83	6.73	7.00	8.09
5.00	5.78	5.39	6.23	5.85	6.76	7.25	8.37

FREIGHT FIREMEN.

\$2.25	\$3.02	\$2.93	\$3.93	\$3.23	\$4.34	\$3.75	\$5.03
2.36	3.17	2.95	3.96	3.245	4.355	3.80	5.10
2.45	3.29	3.00	4.03	3.25	4.36	3.90	5.24
2.47	3.32	3.01	4.04	3.20	4.43	3.905	5.245
2.50	3.36	3.03	4.07	3.35	4.50	3.95	5.30
2.56	3.44	3.04	4.08	3.40	4.56	4.00	5.37
2.59	3.48	3.05	4.09	3.45	4.63	4.05	5.44
2.60	3.49	3.07	4.12	3.465	4.65	4.10	5.50
2.70	3.62	3.10	4.16	3.50	4.70	4.125	5.535
2.75	3.69	3.13	4.20	3.55	4.77	4.18	5.61
2.78	3.73	3.15	4.23	3.57	4.79	4.25	5.71
2.81	3.77	3.16	4.24	3.60	4.83	4.30	5.77
2.85	3.83	3.19	4.28	3.63	4.87	4.50	6.04
2.87	3.85	3.20	4.30	3.65	4.90	4.55	6.11
2.90	3.89	3.22	4.32	3.70	4.97		

FREIGHT CONDUCTORS.

\$2.31	\$2.78	\$4.24	\$5.11	\$4.54	\$5.47	\$4.88	\$5.88
2.90	3.49	4.25	5.12	4.55	5.48	4.96	5.98
3.46	4.17	4.27	5.15	4.63	5.58	5.04	6.07
3.63	4.37	4.38	5.28	4.64	5.59	5.08	6.12
3.85	4.64	4.40	5.30	4.66	5.62	5.10	6.15
3.90	4.70	4.42	5.33	4.74	5.71	5.14	6.19
3.975	4.79	4.43	5.34	4.77	5.75	5.21	6.28
4.00	4.82	4.48	5.40	4.80	5.78	5.67	6.83
4.10	4.94	4.50	5.42	4.83	5.82	5.69	6.86
4.13	4.98	4.51	5.43	4.84	5.83	6.12	7.37
4.165	5.02	4.52	5.45	4.86	5.86	6.45	7.77
4.18	5.04	4.53	5.46	4.87	5.87	7.09	8.54

SECTION E.—*Rates of wages of railroad employees paid upon mileage basis—Con.*

FREIGHT BRAKEMEN AND FLAGMEN.

Old.	New.	Old.	New.	Old.	New.	Old.	New.
\$1.60	\$2.23	\$2.70	\$3.77	\$3.02	\$4.21	\$3.48	\$4.85
1.89	2.64	2.72	3.79	3.10	4.32	3.60	5.02
1.93	2.69	2.75	3.84	3.13	4.37	3.62	5.05
2.14	2.99	2.78	3.88	3.14	4.38	3.66	5.11
2.25	3.14	2.80	3.91	3.15	4.39	3.707	5.17
2.33	3.25	2.82	3.93	3.20	4.46	3.71	5.18
2.40	3.35	2.83	3.95	3.21	4.48	3.93	5.48
2.42	3.38	2.85	3.98	3.25	4.53	4.24	5.91
2.48	3.46	2.88	4.02	3.29	4.59	4.26	5.94
2.60	3.63	2.95	4.12	3.33	4.65	4.62	6.44
2.62	3.65	2.98	4.16	3.41	4.76	4.96	6.92
2.65	3.70	2.99	4.17	3.46	4.83	5.37	7.49
2.67	3.72	3.00	4.19				

"Old" rates are those of December, 1915.

If there were mileage rates in effect in December, 1915, which are not included in the above tables, they shall be increased in accordance with the following percentages:

	Per cent.
Road passenger engineers and motormen-----	11 $\frac{1}{4}$
Road passenger firemen and helpers-----	28 $\frac{3}{4}$
Road passenger conductors-----	15 $\frac{1}{2}$
Road passenger baggagemen-----	38 $\frac{1}{4}$
Road passenger brakemen and flagmen-----	39 $\frac{1}{4}$
Road freight engineers and motormen-----	15 $\frac{1}{4}$
Road freight firemen and helpers-----	34 $\frac{1}{4}$
Road freight conductors-----	20 $\frac{1}{4}$
Road freight brakemen and flagmen-----	39 $\frac{1}{4}$

METHOD OF APPLYING INCREASES TO MILEAGE BASIS.

1. Rates for overtime as now in effect, whether providing for pro rata basis or in excess thereof, shall be increased by same percentage as straight time rates.
2. Miles run, in excess of the established equivalent of a day (or of a month where such basis prevails) shall be paid for pro rata.
3. If any increase has been made in the mileage rates of employees paid on that basis in December, 1915, it will be understood that the per cent of increase allowed by this order is inclusive of such interim increases and that the new rate is computed from the base rates of December, 1915.
4. Example (1): Engineer "G," passenger service, received \$4.25 per day of one hundred miles in 10 hours in December, 1915. According to this plan, although in 1918 this rate was \$4.25 per hundred miles in 8 hours, the rate will be increased 11 $\frac{1}{4}$ per cent to \$4.73 per 100 miles (\$4.7281 equalized as \$4.73). He will be entitled to back pay for every 100 miles run at the rate of 48 cents per 100 miles.

Example (2):

Conductor, through freight:

2.950 miles at 4 cents, at new rate, would entitle him to 4.82 cents,	
or -----	\$142.19
He was paid-----	118.00

Leaving to be paid-----	24.19
He made 26 hours and 10 minutes overtime, equivalent, on basis of $12\frac{1}{2}$ miles per hour, to 327 miles, which, at the increased rate of 4.82 cents per mile, entitles him to---- \$15.76	
Was paid, at 4 cents per mile-----	13.08

A difference of-----	2.68
One month-----	26.87
Five months-----	134.35

This principle will apply to all employees of the train and engine service who are paid on the mileage basis. There are some railroads in the United States upon which men in the train and engine service are paid on a monthly wage. Such employees will be entitled to the increased rates named in Article 2, section A.

5. Since the application of the increases hereby granted will tend in individual cases to give increases greater than is appropriate or necessary to those train and engine men who make abnormal amounts of mileage and who, therefore, make already abnormally high monthly earnings, the officials of each railroad shall take up with the respective committees of train and engine men the limitation of mileage made per month by employees paid upon a mileage basis, so as to prevent employees now making such abnormal mileage profiting by the wage increases herein fixed greatly in excess of employees habitually making a normal amount of mileage. It shall be understood that any such limitation of mileage so arrived at shall not preclude the officials of a railroad from requiring a train or engine man to make mileage in excess of this limitation when the necessities of the service require it. The officials of each railroad will report to the Regional Director such arrangements agreed upon and any cases of failure to reach such agreements.

SECTION F.—General rules for application of wage increases.

1. In the application of the scale the wage runs with the place. If in the past two years an employee has been promoted, his new wage is based upon the rate of increase applicable to the new schedule governing the position to which he has been promoted.

2. In applying these percentages to the hourly, daily, monthly, or mileage rates for December, 1915, in order to determine the rates

to be applied, beginning January 1, 1918, each decimal fraction over 1 per cent shall be equalized as follows:

Less than one-fourth of 1 per cent, as one-fourth of 1 per cent.

Over one-fourth of 1 per cent, but less than one-half of 1 per cent, as one-half of 1 per cent.

Over one-half of 1 per cent, but less than three-fourths of 1 per cent, as three-fourths of 1 per cent.

Over three-fourths of 1 per cent, as 1 per cent.

3. These increases are to be applied to the rates of wages in effect on December 31, 1915. They do not represent a net increase at this time.

4. As to the employee who may have been promoted since December 31, 1915, his increase will be based upon the rate of his present position as of December 31, 1915.

5. As to the employee who has been reduced in position, his increase will be based upon the rate of his present position as of December 31, 1915.

6. The new rates named herein, where they are higher than the rates in effect on January 1, 1918, will be applied to the occupants of positions that carried the rates in December, 1915.

7. In those cases where increases have been made by the railroads since December 31, 1915, in excess of the amounts herein ordered, present wages shall apply, for in no instance shall the application hereof operate to reduce present rates of pay.

8. Reductions in hours between December 31, 1915, and January 1, 1918, are not to be regarded as increases in pay.

9. The wage increases provided for herein shall be effective as of January 1, 1918, and are to be paid according to the time served to all who were then in the railroad service or who have come into such service since and remained therein. The proper ratable amount shall also be paid to those who have been for any reason since January 1, 1918, dismissed from the service, but shall not be paid to those who have left it voluntarily. Men who have left the railroads to enter the Army or Navy shall be entitled to the pro rata increases accruing on their wages up to the time they left, and the same rule shall apply to those who have passed from one branch of the railroad service or from one road to another.

10. This order applies to foremen, chief clerks, and others employed in a supervisory capacity, as well as to their subordinates.

11. This order shall be construed to apply to employees of railroads operating ferries, tugboats, lighters, barges, and any other floating equipment operated as terminal or transfer facilities, but shall not be construed as applying to railroad employees on cargo and passenger carrying equipment on lakes, rivers, or in coastwise or ocean traffic.

12. The provisions of this order will not apply in cases where amounts less than \$30 per month are paid to individuals for special service which takes only a portion of their time from outside employment or business.

13. Office boys, messengers, chore boys, and similar positions filled by employees who are under 18 years of age will receive the following increase per month:

Twenty dollars increase per month where December, 1915, rate was from \$30 to \$45 per month.

Fifteen dollars increase per month where December, 1915, rate was from \$20 to \$30 per month.

Ten dollars increase per month where December, 1915, rate was less than \$20 per month.

ARTICLE III.—RULES GOVERNING CONDITIONS OF EMPLOYMENT.

SECTION A.—*The basic eight-hour day.*

The principal of the basic eight-hour day is hereby recognized. Where employees are paid upon a daily or monthly basis, the new compensation herein established will apply to the number of hours which have heretofore constituted the actual day's work. For example, where an actual day's work has been 10 hours, the new compensation will cover the eight basic hours and two hours overtime. Additional overtime will be paid pro rata.

METHOD OF APPLYING BASIC EIGHT-HOUR-DAY RULES.

1. Position which in December, 1915, paid \$2 per 9-hour day:

Old rate, \$2 per day.

New rate, \$2.51 for 8-hour basic day.

Overtime, 31.4 cents per hour.

New rate, \$2.83 for 9-hour service; 83 cents increase.

2. Position which in December, 1915, paid \$2.40 per 10-hour day.

Old rate, \$2.40 per day.

New rate, \$2.70 for 8-hour basic day.

Overtime, \$0.68—2 hours, at 34 cents per hour.

New rate, \$3.38 for 10-hour service; 98 cents increase.

3. Position which in December, 1915, paid \$75 per month, working 10 hours per day for 26 working days:

Old rate, \$75 per month.

New rate, \$84.60 per month basic 8-hour day.

Overtime, \$21.15—52 hours, at 40.67 cents per hour.

New rate, \$105.75 for same service; increase, \$30.75.

4. Position which in December, 1915, paid \$100 per month, working 11 hours per day for 31 working days:

Old rate, \$100 per month.

New rate, \$95.82 per month basic 8-hour day.

Overtime, \$35.93—93 hours, at 38.64 cents per hour.

New rate, \$131.75 for same service; increase, \$31.75.

SECTION B.—*Rates of pay for overtime.*

This order shall not affect any existing agreements or practices for the payment of higher rates of pay for time worked in excess of any standard day. Time worked in excess of the basic eight-hour day hereby established will, when there is no existing agreement or practice more favorable to the employee, be paid on a prorata basis, as indicated in section A of this article.

SECTION C.—*No reduction in total increase.*

Pending consideration by the Board of Railroad Wages and Working Conditions hereinafter provided for, no reduction in the actual hours constituting a day's work shall operate to deprive any employee, paid by the day or month, of the total increase in pay granted him by this order.

ARTICLE IV.—*PAYMENTS FOR BACK TIME.*

Each railroad will, in payments made to employees on and after June 1, 1918, include these increases therein.

As promptly as possible, the amount due in back pay from January 1, 1918, in accordance with the provision of this order, will be computed and payment made to employees separately from the regular monthly payments, so that employees will know the exact amount of these back payments.

Recognizing the clerical work necessary to make these computations for back pay and the probable delay before the entire period can be covered, each month, beginning with January, shall be computed as soon as practicable and, as soon as completed, payment shall be made.

ARTICLE V.—*EMPLOYMENT OF WOMEN.*

When women are employed, their working conditions must be healthful and fitted to their needs. The laws enacted for the government of their employment must be observed and their pay, when they do the same class of work as men, shall be the same as that of men.

ARTICLE VI.—*COLORED FIREMEN, TRAINMEN, AND SWITCHMEN.*

Effective June 1, 1918, colored men employed as firemen, trainmen, and switchmen shall be paid the same rates of wages as are paid white men in the same capacities.

Back pay for period January 1, 1918, to May 31, 1918, will be based only upon the increases provided in Article II of this order for such positions. Back payments will not apply to the further increased rate made effective by this article.

ARTICLE VII.—BOARD OF RAILROAD WAGES AND WORKING CONDITIONS.

There is hereby created a Board of Railroad Wages and Working Conditions which shall consist of the following members: J. J. Dermody, F. F. Gaines, C. E. Lindsey, W. E. Morse, G. H. Sines, A. O. Wharton.

This board shall at once establish an office at Washington, D. C., and meet for organization and elect a chairman and vice chairman, one of whom shall preside at meetings of the board.

It shall be the duty of the board to hear and investigate matters presented by railroad employees or their representatives affecting—

1. Inequalities as to wages and working conditions whether as to individual employees or classes of employees.

2. Conditions arising from competition with employees in other industries.

3. Rules and working conditions for the several classes of employees, either for the country as a whole or for different parts of the country.

The board shall also hear and investigate other matters affecting wages and conditions of employment referred to it by the Director General.

This board shall be solely an advisory body and shall submit its recommendations to the Director General for his determination.

ARTICLE VIII.—INTERPRETATIONS OF THIS ORDER.

Railway Board of Adjustment No. 1 is authorized by article 9 of General Order No. 13 to perform the following duty:

Wages and hours, when fixed by the Director General, shall be incorporated into existing agreements on the several railroads, and should differences arise between the management and the employees of any of the railroads as to such incorporation, such questions of difference shall be decided by the Railway Board of Adjustment No. 1, when properly presented, subject always to review by the Director General.

In addition to the foregoing, other questions arising as to the intent or application of this order in respect to the classes of employees within the scope of Railway Board of Adjustment No. 1 shall be submitted to such board, which board shall investigate and report its recommendations to the Director General.

Similar authority may be conferred on any additional Railway Board of Adjustment hereafter created.

Decisions shall not be rendered by such boards until after approval by the Director General.

Prior to the creation of additional Railway Boards of Adjustment to deal with questions as to the intent or application of this order as it affects any other class of employees, such questions, with respect to

such employees, shall be presented to the Director of the Division of Labor, United States Railroad Administration, Washington, D. C.

W. G. McADOO,
Director General of Railroads.

SUPPLEMENT NO. 1 TO GENERAL ORDER NO. 27.

WASHINGTON, June 10, 1918.

The following will be added as general rules to section F, Article II:

14. For positions created since December, 1915, the salaries will be readjusted so as to conform to the basis established in General Order No. 27, for positions of similar scope or responsibility.

15. Where wages were increased through arbitration or other general negotiations, which cases were definitely closed out prior to December 1, 1915, but which for any reason were not put into effect until after January 1, 1916, the increases fixed by General Order No. 27 will be applied to such basis of wages as if they were in effect in December, 1915.

W. G. McADOO,
Director General of Railroads.

SUPPLEMENT NO. 2 TO GENERAL ORDER NO. 27.

WASHINGTON, July 3, 1918.

The terms and conditions of the above order will apply to the Pullman Company Operating Department, except that on account of the peculiar character of the employment of conductors, porters, and maids, in that provision is made for rest and sleep while actually on duty, it is impracticable to apply a basic eight-hour day to such service. It is therefore ordered that with respect to conductors, porters, and maids, the increases shall be upon the basis shown in Section A of Article Two relative to "monthly wages"; but Article Three relative to basic eight-hour day will not be applicable thereto.

W. G. McADOO,
Director General of Railroads.

SUPPLEMENT NO. 3 TO GENERAL ORDER NO. 27.

WASHINGTON, July 3, 1918.

The following railroads are hereby added to and made a part of Article I of General Order No. 27:

A.	Akron, Union Passenger Depot Co. Albany Railroad Bridge Co. Allegheny Terminal Co. Allentown Terminal R. R. Alton & Southern Ry.
Abilene & Southern.	
Ahnapee & Western Ry.	
Akron & Barberton Belt R. R.	

Arkansas Central R. R. Co.	Chicago Heights Terminal Transfer R. R.
Arkansas & Memphis Ry. Bridge & Terminal Co.	Chicago Junction Ry.
Arkansas Western Ry. Co.	Chicago, Kalamazoo & Saginaw R. R. (controlled by M. C. & N. Y. C. R. R.).
Arminius Branch.	Chicago, Kalamazoo & Saginaw R. R. (operated by Grand Trunk R. R.).
Asheville & Craggy Mountain Ry.	Chicago & Kalamazoo Terminal Ry.
Asheville & Southern Ry.	Chicago, Milwaukee & Gary R. R.
Ashland Coal & Iron Ry.	Chicago River & Indiana.
Atchison & Eastern Bridge Co.	Chicago Union Station Co.
Atchison Union Depot & R. R. Co.	Chicago & Western Indiana R. R.
Atlantic & Yadkin Ry.	Cincinnati, Burnside & Cumberland River Ry.
B.	Cincinnati & Dayton R. R.
Baltimore & Ohio Chicago Terminal R. R.	The Cincinnati Inter-Terminal R. R.
Baltimore & Sparrows Point R. R.	Cincinnati, Lebanon & Northern Ry.
Baring Cross Bridge Co.	Cincinnati, Saginaw & Mackinaw R. R.
Barre & Chelsea R. R.	Coal River Ry.
Bath & Hammondport R. R.	Coeur D'Alene & Pend Oreille Ry.
Battle Creek & Sturgis R. R.	Colorado Springs & Cripple Creek Dist. Ry.
Bay City Belt Line R. R.	Columbus, Findlay & Northern R. R.
Bay City Terminal Co.	Connecticut River R. R.
Beaumont & Great Northern R. R.	Connecting Terminal R. R.
Beaumont, Sour Lake & Western.	Copper Range R. R.
Beaumont Wharf & Terminal Co.	The Covington & Cincinnati Elevated R. R. & Transfer & Bridge Co.
Bellingham & Northern Ry.	Cumberland & Penna. R. R.
Belt Ry. of Chicago.	Cumberland Ry.
Bethel Granite Ry.	D.
Big Fork & International Falls Ry.	Dallas Terminal Ry. & Union Depot Co.
Blue Ridge Ry.	Danville & Western Ry.
Boonville, St. Louis & Southern Ry.	Davenport, Rock Island & Northwestern Ry. Co.
Boston Terminal Co.	Dayton & Union R. R.
Bowling Green R. R.	Dayton Union Ry.
Brandon, Devils Lake & Southern Ry.	Deep Creek R. R.
Brooklyn Eastern District Terminal R. R.	Delta Southern Ry.
Brownwood North & South Ry. Co.	Denison & Pacific Suburban Ry. Co.
Buffalo Creek R. R.	Denver Union Terminal Ry.
Buffalo Union Terminal R. R.	Des Moines Union Ry.
Butte, Anaconda & Pacific Ry. Co.	Des Moines Western Ry.
C.	Detroit, Bay City & Western Ry.
Cairo & Thebes R. R.	Detroit & Huron Ry.
Calumet Western Ry.	Detroit Manufacturers R. R.
Camas Prairie R. R.	Detroit River Tunnel Co.
Can. Sou. Bridge Co.	Detroit Terminal Ry. & Transportation Co.
Can. Southern R. R.	Detroit Terminal R. R.
Carolina & Northwestern Ry.	Detroit, Toledo & Milwaukee R. R.
Carolina & Tennessee Southern Ry.	Direct Navigation Co.
Centralia Eastern R. R.	Dover & Rockaway R. R.
Central Indiana.	Duluth & Superior Bridge R. R.
Central Terminal Ry.	
Central Union Depot of Cincinnati, Ohio.	
Cherry Tree & Dixonville R. R.	
Chesapeake & Ohio Northern Ry.	
Chesapeake & Ohio Ry. of Indiana.	

Duluth Terminal R. R.	High Pt. Randleman, Asheboro & South- ern R. R.
Duluth Union Depot & Transfer Co.	Houghton Belt & Terminal Ry.
Dunleith & Dubuque Bridge Co.	Houston & Brazos Valley Ry.
E.	Houston & Shreveport R. R.
Easton & Western R. R.	Huntingdon & Broad Top Mountain R. R.
East. St. Louis Belt R. R.	I.
East St. Louis & Carondelet Ry.	Iberia & Vermillion R. R.
East St. Louis Connecting Ry.	Illinois Terminal R. R.
East St. Louis National Stock Yards Co.— East St. Louis.	Illinois Transfer R. R.
East St. Louis & Suburban.	Indiana Harbor Belt R. R.
Edgewater Connecting Ry.	Indianapolis & Frankfort R. R.
Edgewater Terminal R. R.	Indianapolis Union Ry.
Elk Horn & Beaver Valley Ry.	Interstate Car Transfer Co.
Englewood Connecting Ry.	Interstate R. R. Co.
Ensley Southern Ry.	Iowa & St. Louis Ry.
Erie Terminals R. R. Co.	Iowa Transfer Ry.
Escanaba & Lake Superior R. R.	Island Creek R. R.
Evansville & Indianapolis R. R.	J.
F.	Jay Street Terminal.
Farmer's Grain & Shipping Co.'s R. R.	Joliet & Northern Indiana R. R.
Fort Dodge, Des Moines & Southern R. R.	Joplin Union Depot Co.
Fort Smith Suburban R. R.	K.
Fort Smith & Van Buren R. R.	Kanawha Bridge & Terminal Co.
Fort Street Union Depot Co.	Kanawha & West Virginia Ry.
Fort Worth Belt R. R.	Kankakee & Seneca R. R.
Fort Worth Union Passenger Station Co.	Kansas City, Clinton & Springfield Ry. Co.
G.	Kansas City Connecting R. R.
Galatin Valley R. R.	Kansas City, Shreveport & Gulf Terminal Ry.
Galveston, Houston & Henderson R. R.	Kansas City Stock Yards Co.—Kansas City, Mo.
Gauley & Meadow River Ry.	Kansas City Terminal Co.
Gilmore & Pittsburg R. R.	Kansas Southwestern Ry. Co.
Grand Canyon Railway Co.	Keeneys Creek R. R.
Grand Rapids Terminal Co.	Kentucky & Indiana Terminal R. R.
Grand Trunk Junction Ry.	Keokuk & Des Moines Ry.
Grand Trunk Milwaukee Car Ferry Co.	Keokuk & Hamilton Bridge Co.
Granite City & Madison Belt Line R. R.	Keokuk Union Depot Co.
Gray's Point Terminal Ry.	Kewaunee, Green Bay & Western R. R.
Great Falls & Teton County Ry.	Kiowa, Hardtner & Pacific R. R.
Great Northern Terminal Co.	L.
Green Bay & Western R. R.	Lackawanna & Montrose R. R.
Greenwich & Johnsonville R. R.	Lake Charles & Northern R. R.
H.	Lake Erie & Eastern R. R.
Hamilton Belt Ry.	Lake Erie & Pittsburgh Ry.
Hannibal Union Depot Co.	Lake Superior & Ishpeming Ry.
Harriman & Northeastern R. R.	Lake Superior Terminal Ry.
Hartwell Ry.	Lake Superior Terminal & Transfer Ry. Co.
Hawkinsville & Florida Southern Ry.	
Helena Terminal.	
Hibernia Mine R. R.	

Lansing Manufacturers R. R.	New York Dock Co. R. R.
Lansing Transit Co.	New York & Long Branch R. R.
Lawrenceville Branch R. R.	New Westminster Southern Ry.
Leavenworth Depot & R. R. Co.	Norfolk & Portsmouth Belt Line R. R.
Leavenworth Terminal Ry. & Bridge Co.	Norfolk Terminal Ry.
Lehigh & Susquehanna R. R.	Northern Alabama Ry.
Lewiston & Auburn R. R.	Northern Maine Seaport R. R.
Lima Belt Ry.	Northern Ohio R. R.
Litchfield & Madison Ry.	Northern Pacific Terminal Co. of Oregon.
Little Kanawha R. R.	Norway Branch R. R.
Little Rock Junction Ry.	Northwestern Terminal Ry.
Logan & Southern Ry.	O.
Lorain, Ashland & Southern R. R.	Ogden Mine R. R.
Lorain & W. Virginia Ry.	Ogden Union Ry. & Depot Co.
Louisiana Southern Ry.	Oklahoma Belt Ry.
Louisville Bridge Co.	Oklahoma City Junction Ry.
Louisville & Jeffersonville Bridge Co.	Ontonagon R. R.
M.	Orange Branch (Sou. Ry.).
Mackinac Transportation Co.	Orange & Northwestern R. R.
Macon, Dublin & Savannah R. R.	Oregon Electric Ry.
Manistique & Lake Superior R. R.	Oregon Trunk Ry.
Marquette & Bessemer Dock & Nav. Co.	P.
Maumee Connecting Ry.	Pacific Coast R. R.
Maywood & Sugar Creek Ry.	Paris & Great Northern R. R. Co.
Memphis Union Station Co.	Pennsylvania Terminal Ry.
Michigan Air Line.	Peoria & Bureau Valley R. R.
Milwaukee Terminal Ry.	Peoria & Pekin Union Ry.
Minneapolis Belt Line Co.	Peoria Ry. Terminal Co.
Minneapolis & Eastern Ry.	Philadelphia Belt Line.
Minneapolis Western Ry.	Pierre & Port Pierre Bridge Ry.
Minnesota & International Ry.	Pierre, Rapid City & Northwestern Ry.
Minnesota Northwestern Elec. Ry.	Pine Bluff, Arkansas River R. R.
Minnesota Transfer Ry.	Piney River & Paint Creek Ry.
Mississippi Central R. R.	Piqua & Troy Branch R. R.
Missouri & Illinois Bridge & Belt R. R.	Pittsburgh, Chartiers & Youghiogheny Ry.
Missouri Pacific Corp. in Illinois.	Pittsburgh, Ohio Valley & Cincinnati Ry.
Missouri Pacific Corp. in Nebraska.	Pond Fork Ry.
Missouri Valley & Blair Ry. & Bridge Co.	Pontiac, Oxford & Northern Ry.
Montana Eastern Ry.	Port Huron Southern Ry.
Montpelier & Wells River R. R.	Portland Terminal Co.
Morenci Southern Ry.	Port Townsend & Puget Sound Ry.
Morris Terminal Ry.	Poteau Valley R. R.
Muncie Belt Ry.	Pueblo Union Depot & R. R. Co.
X.	Puget Sound & Willapa Harbor Ry.
Narragansett Pier R. R.	Q.
Natchez & Louisiana Ry. Transfer Co.	Quanah, Acme & Pacific Ry. Co.
Natchez & Southern Ry.	Quincy, Omaha & Kansas City R. R.
New Iberia & Northern R. R. Co.	R.
New Jersey & New York R. R.	Railway Transfer Co.
New Orleans Great Northern.	Rio Grande, El Paso & Santa Fe R. R.
New River, Holston & Western R. R.	
New York Connecting R. R.	

Rio Grande Junction Ry.	Stock Yards Terminal Ry. Co. of St. Paul.
Rio Grande Southern.	Sullivan County R. R.
Rio Grande Southwestern.	Sulphur Mines R. R.
Riverside, Rialto & Pacific Ry.	Sunday Creek R. R.
Rock Island, Arkansas & Louisiana R. R.	Sunset Ry.
Rock Island & Dardanelle R. R.	Sweet City Bridge Co.
Rock Island-Frisco Terminal Ry.	Sweet City Terminal Ry.
Rock Island Memphis Terminal.	Sylvania Central Ry.
Rock Island, Stuttgart & Southern Ry.	T.
Roslyn Connecting R. R.	
Roswell R. R.	
S.	
St. Charles Air Line.	Tacoma Eastern R. R.
St. Clair & Western R. R.	Tallulah Falls Ry.
St. Johnsbury & Lake Champlain R. R.	Tennessee & Carolina Southern Ry.
St. Joseph Belt Ry.	Terminal Railroad Assoc'n of St. Louis.
St. Joseph & Central Branch Ry.	Terminal R. R. of East St. Louis.
St. Joseph, South Bend & Southern R. R.	Terminal R. R. of St. Louis.
St. Joseph Terminal R. R.	Texas Mexican Ry.
St. Joseph Union Depot Co.	Texas Midland R. R.
St. Louis-Belleville Electric Ry.	Tidewater Southern Ry.
St. Louis Belt & Terminal Ry.	Toledo, Saginaw & Muskegon Ry.
St. Louis Bridge Co.	Toledo Terminal R. R.
St. Louis Merchants Bridge Terminal Ry.	Trans-Mississippi Terminal R. R.
St. Louis National Stock Yards Co.	Troy Union R. R.
St. Louis & O'Fallon Ry.	Tug River & Kentucky R. R.
St. Louis Terminal Ry.	Tunnel R. R. of St. Louis.
St. Louis Transfer Ry.	Tylerdale Connecting R. R.
St. Louis, Troy & Eastern R. R.	
Sainte Marie Union Depot Co.	
St. Paul Bridge & Terminal Ry.	
St. Paul & Kansas City Short Line R. R.	
St. Paul Union Depot Co.	
Salt Lake City Union Depot & R. R. Co.	
San Antonio Belt & Terminal R. R.	
San Antonio, Uvalde & Gulf R. R.	
Sandy Valley & Elkhorn & Long Fork R. R.	
Sandy Valley & Elkhorn Ry.	
Sapulpa & Oil Field R. R.	
Sault Ste. Marie Bridge Co.	
Seattle, Port Angeles & Western Ry.	
Sharpsville R. R.	
Shreveport Bridge & Terminal Co.	
Sievern & Knoxville R. R.	
Sioux City Bridge Co.	
Sioux City Terminal Ry.	
South Chicago & Southern R. R.	
South Dayton R. R.	
Southern Illinois & Missouri Bridge Co.	
Southern Pacific Electric Ry.	
State University R. R.	
T.	
St. Charles Air Line.	Tacoma Eastern R. R.
St. Clair & Western R. R.	Tallulah Falls Ry.
St. Johnsbury & Lake Champlain R. R.	Tennessee & Carolina Southern Ry.
St. Joseph Belt Ry.	Terminal Railroad Assoc'n of St. Louis.
St. Joseph & Central Branch Ry.	Terminal R. R. of East St. Louis.
St. Joseph, South Bend & Southern R. R.	Terminal R. R. of St. Louis.
St. Joseph Terminal R. R.	Texas Mexican Ry.
St. Joseph Union Depot Co.	Texas Midland R. R.
St. Louis-Belleville Electric Ry.	Tidewater Southern Ry.
St. Louis Belt & Terminal Ry.	Toledo, Saginaw & Muskegon Ry.
St. Louis Bridge Co.	Toledo Terminal R. R.
St. Louis Merchants Bridge Terminal Ry.	Trans-Mississippi Terminal R. R.
St. Louis National Stock Yards Co.	Troy Union R. R.
St. Louis & O'Fallon Ry.	Tug River & Kentucky R. R.
St. Louis Terminal Ry.	Tunnel R. R. of St. Louis.
St. Louis Transfer Ry.	Tylerdale Connecting R. R.
St. Louis, Troy & Eastern R. R.	
Sainte Marie Union Depot Co.	
St. Paul Bridge & Terminal Ry.	
St. Paul & Kansas City Short Line R. R.	
St. Paul Union Depot Co.	
Salt Lake City Union Depot & R. R. Co.	
San Antonio Belt & Terminal R. R.	
San Antonio, Uvalde & Gulf R. R.	
Sandy Valley & Elkhorn & Long Fork R. R.	
Sandy Valley & Elkhorn Ry.	
Sapulpa & Oil Field R. R.	
Sault Ste. Marie Bridge Co.	
Seattle, Port Angeles & Western Ry.	
Sharpsville R. R.	
Shreveport Bridge & Terminal Co.	
Sievern & Knoxville R. R.	
Sioux City Bridge Co.	
Sioux City Terminal Ry.	
South Chicago & Southern R. R.	
South Dayton R. R.	
Southern Illinois & Missouri Bridge Co.	
Southern Pacific Electric Ry.	
State University R. R.	
U.	
Union Depot Co. of Columbus.	
Union Depot Co. of St. Louis (The).	
Union Freight R. R.	
Union Ry.	
Union Ry. & Transit Co. (of Illinois).	
Union R. R. of Baltimore.	
Union R. R. (Pennsylvania).	
Union Stock Yards Co. of Omaha.	
Union Terminal Co. of Dallas, Tex.	
V.	
Van Buren Bridge Co.	
Vermont Valley R. R.	
Virginia Air Line Ry.	
Virginia-Carolina Ry.	
W.	
Washington Terminal R. R.	
Waterloo, Cedar Rapids & Northern Ry.	
Waupaca-Green Bay Ry.	
Weatherford, Mineral Wells & North- western Ry.	
Wellston & Jackson Belt R. R.	
West Side Belt R. R.	

West Tulsa Belt Ry.
 Wheeling Terminal Ry.
 White & Black River Valley R. R.
 White Oak Ry.
 Wichita Union Terminal Ry.
 Wiggins Ferry Co.
 Wilkes-Barre & Scranton R. R.
 Williamson & Pond Creek R. R.
 Winona Bridge Ry. Co.
 Winston-Salem South Bound Ry.

Wood River Branch R. R.
 Wyoming & Northwestern Ry.
 Y.
 Yadkin R. R.
 York Harbor & Beach R. R.
 Z.
 Zanesville Belt & Terminal R. R.
 Zanesville & Western Ry.
 Zanesville Terminal R. R.

W. G. McADOO,
Director General of Railroads.

SUPPLEMENT NO. 4 TO GENERAL ORDER NO. 27.

WASHINGTON, D. C., July 25, 1918.

In the matter of wages, hours, and other conditions of employment of employees in the mechanical departments (specified herein) of the railroads under Federal control, it is hereby ordered:

ARTICLE I.—CLASSIFICATION OF EMPLOYEES.

SECTION 1. *Machinists.*—Employees skilled in the laying out, fitting, adjusting, shaping, boring, slotting, milling, and grinding of metals used in building, assembling, maintaining, dismantling, and installing locomotives and engines (operated by steam or other power), pumps, cranes, hoists, elevators, pneumatic and hydraulic tools and machinery, scale building, shafting and other shop machinery; ratchet and other skilled drilling and reaming, tool and die making, tool grinding and machine grinding, axle, wheel and tire turning and boring; engine inspecting; air equipment, lubricator and injector work; removing, replacing, grinding, bolting and breaking of all joints on superheaters, oxy-acetylene, thermit and electric welding on work generally recognized as machinists' work; the operation of all machines used in such work, including drill presses and bolt threaders using a facing, boring or turning head or milling apparatus, and all other work generally recognized as machinists' work.

1-A. *Machinist apprentices.*—Include regular and helper apprentices in connection with the above work.

1-B. *Machinist helpers.*—Employees assigned to help machinists and apprentices. Operators of all drill presses and bolt threaders not equipped with a facing, boring or turning head or milling apparatus, bolt pointing and centering machines, wheel presses, bolt threaders, nut tappers and facers; cranesmen helpers, tool-room attendants, machinery oilers, box packers and oilers; the applying of coupling between engines and tenders, locomotive tender and draft rigging work, except when performed by carmen.

SECTION 2.—Boiler makers.—Employees skilled in laying out, cutting apart, building, or repairing boilers, tanks, and drums; inspecting, patching, riveting, chipping, caulking, flanging, and flue work; building, repairing, removing, and applying steel cabs and running boards; laying out and fitting up any sheet iron or sheet steel work made of 16 gauge or heavier, including fronts and doors; grate and grate rigging, ash pans, front and netting and diaphragm work; engine tender steel underframe and steel tender truck frames, except where other mechanics perform this work; removing and applying all stay bolts, radials, flexible caps, sleeves, crown bolts, stay rods, and braces in boilers, tanks, and drums; applying and removing arch pipes; operating punches and shears for shaping and forming pneumatic stay bolt breakers, air rams, and hammers; bull, jam, and yoke riveters; boiler makers' work in connection with the building and repairing of steam shovels, derricks, booms, housings, circles, and coal buggies; eye beam, channel iron, angle iron, and tee iron work; all drilling, cutting, and tapping, and operating rolls in connection with boiler makers' work; oxyacetylene, thermit, and electric welding on work generally recognized as boiler makers' work, and all other work generally recognized as boiler makers' work.

2-A.—*Boiler maker apprentices.*—Include regular and helper apprentices in connection with above.

2-B.—*Boiler maker helpers.*—Employees assigned to help boiler makers and their apprentices. Operators of drill presses and bolt cutters in the boiler shop, punch and shear operators (cutting only bar stock and scrap).

SECTION 3.—Blacksmiths.—Employees skilled in welding, forging, shaping, and bonding of metal; tool dressing and tempering; spring making, tempering, and repairing; potashing, case and bichloride hardening; flue welding under blacksmith foreman; operating furnaces, bulldozers, forging machines, drop-forging machines, bolt machines, and Bradley hammers; hammersmiths, drop hammermen, trimmers, rolling mill operators; operating punches and shears doing shaping and forming in connection with blacksmiths' work; oxyacetylene, thermit, and electric welding on work generally recognized as blacksmiths' work, and all other work generally recognized as blacksmiths' work.

3-A.—*Blacksmith apprentices.*—Include regular and helper apprentices in connection with the above.

3-B.—*Blacksmith helpers.*—Employees assigned to helping blacksmiths and apprentices; heaters, hammer operators, machine helpers, drill press and bolt-cutter operators, punch and shear operators (cutting only bar stock and scrap) in connection with blacksmiths' work.

SECTION 4.—Sheet-metal workers.—Sheet-metal workers shall include tinnings, coppersmiths, and pipe fitters employed in shop yards

and buildings and on passenger coaches and engines of all kinds, skilled in the building, erecting, assembling, installing, dismantling, and maintaining parts made of sheet copper, brass, tin, zinc, white metal, lead and black planished and pickled iron of less than 16 gauge, including brazing, soldering, tinning, leading, and babbittting, the bending, fitting, cutting, threading, brazing, connecting, and disconnecting of air, water, gas, oil, and steam pipes; the operation of babbitt fires and pipe-threading machines; oxyacetylene, thermit, and electric welding on work generally recognized as sheet-metal workers' work, and all other work generally recognized as sheet-metal workers' work.

4-A.—*Sheet-metal worker apprentices.*—Include regular and helper apprentices in connection with the above.

4-B.—*Sheet-metal worker helpers.*—Employees regularly assigned as helpers to assist sheet-metal workers and apprentices.

SECTION 5.—*Electrical workers, first class.*—Employees skilled in repairing, rebuilding, installing, inspecting, and maintaining the electric wiring of generators, switchboards, motors and control, rheostats and control, static and rotary transformers, motor generators, electric headlights and headlight generators; electric welding machines; storage batteries, and axle lighting equipment; pole lines and supports for service wires and cables, catenary and monorail conductors and feed wires, overhead and underground; winding armatures, fields, magnet coils, rotors, stators, transformers and starting compensators; all outside and inside wiring in shops, yards, and on steam and electric locomotives, passenger train and motor cars, and include wiremen, armature winders, switchboard operators, generator attendants, motor attendants, substation attendants, electric crane operators for cranes of 40 tons capacity or over; cable splicers, linemen and groundmen, signalmen and signal maintainers where handling wires and apparatus carrying 240 volts or over or in dense traffic zones, and all other work properly recognized as first-class electrical workers' work.

5-A.—*Electrical workers, second class.*—Operators of electric cranes of less than 40 tons capacity; linemen and groundmen, signalmen and signal maintainers, where handling wires and apparatus carrying less than 240 volts and in normal traffic zones, and all other work properly recognized as second-class electrical workers' work.

5-B.—*Electrical worker apprentices.*—Include regular and helper apprentices in connection with the above.

5-C.—*Electrical worker helpers.*—Employees regularly assigned as helpers to assist electrical workers and apprentices, including electric lamp trimmers who do no mechanical work.

SECTION 6.—*Carmen.*—Employees skilled in the building, maintaining, dismantling, painting, upholstering, and inspecting of all

passenger and freight train cars, both wood and steel; planing mill, cabinet, and bench carpenter work, pattern and flask making, and all other carpenter work in shop and yards; carmen's work in building and repairing motor cars, lever cars, hand cars, and station trucks; building, repairing, removing, and applying locomotive cabs, pilots, pilot beams, running boards, foot and headlight boards, tender frames and trucks; pipe and inspection work in connection with air-brake equipment on freight cars; applying patented metal roofing; repairing steam-heat hose for locomotives and cars; operating punches and shears doing shaping and forming hand forges and heating torches in connection with carmen's work; painting, varnishing, surfacing, lettering, decorating, cutting of stencils and removing paint; all other work generally recognized as painters' work under the supervision of the locomotive and car departments; joint car inspectors, car inspectors, safety appliance, and train-car repairers, wrecking derrick engineers, and wheel-record keepers; oxyacetylene, thermit, and electric welding on work generally recognized as carmen's work, and all other work generally recognized as carmen's work.

6-A.—*Carmen apprentices*.—Include regular and helper apprentices in connection with the above.

6-B.—*Carmen helpers*.—Employees regularly assigned to help carmen and apprentices; car oilers and packers, material carriers, and rivet heaters; operators of bolt threaders, nut tappers, drill presses, and punch and shear operators (cutting only bar stock and scrap).

SECTION 7.—*Molders*.—Include molders, cupola tenders, and core makers.

7-A.—*Molder apprentices*.—Include regular and helper apprentices in connection with the above.

7-B.—*Molder helpers*.—Employees regularly assigned to help molders, cupola tenders, core makers and their apprentices.

ARTICLE II.—RATES AND METHOD OF APPLICATION.

SECTION 1. For the above classes of employees (except carmen, second-class electrical workers, and all apprentices and helpers) who have had four or more years' experience and who were on January 1, 1918, receiving less than 55 cents per hour, establish basic minimum rate of 55 cents per hour, and to this basic minimum rate and all other hourly rates of 55 cents per hour and above, in effect as of January 1, 1918, add 13 cents per hour, establishing a minimum rate of 68 cents per hour.

SECTION 1-A. For carmen and second-class electrical workers who have had four or more years' experience and who were on January 1, 1918, receiving less than 45 cents per hour, establish a basic minimum rate of 45 cents per hour, and to this minimum basic rate and

all other hourly rates of 45 cents and above, in effect as of January 1, 1918, add 13 cents per hour, establishing a minimum rate of 58 cents per hour.

SECTION 1-B. Rates of compensation exceeding the minimum rates established herein to be preserved; the entering of employees in the service or the changing of their classification or work shall not operate to establish a less favorable rate or condition of employment than herein established.

SECTION 1-C. The Director General recognizes that the minimum rates established herein may be exceeded in the case of men of exceptional skill, who are doing special high-grade work, which has heretofore enjoyed a differential. Such cases would include pattern makers, passenger-car repair men, oxy-acetylene, thermit, and electric welding in car-repair work, etc., and should be presented to the Board of Railroad Wages and Working Conditions for recommendation as provided in General Order No. 27.

SECTION 2. The above classes of employees (except carmen, second-class electrical workers, and all apprentices and helpers) who have had less than four years' experience in the work of their trade will be paid as follows:

- (a) One year's experience or less, 50 cents per hour.
- (b) Over one year and under two years' experience, 53 cents per hour.
- (c) Over two years' and under three years' experience, 57 cents per hour.
- (d) Over three years' and under four years' experience, 62 cents per hour.

SECTION 2-A. Carmen and second-class electrical workers who have had less than four years' experience in the work of their trade will be paid as follows:

- (a) One year's experience or less, 48½ cents per hour.
- (b) Over one year and under two years' experience, 50½ cents per hour.
- (c) Over two years' and under three years' experience, 52½ cents per hour.
- (d) Over three years' and under four years' experience, 54½ cents per hour.

SECTION 2-B. At the expiration of the four-year period the employees mentioned in section 2 and section 2-A shall receive the respective minimum of their craft.

ARTICLE III.

SECTION 1. Regular apprentices between the ages of 16 and 21, engaging to serve a four-year apprenticeship, shall be paid as follows: Starting-out rate and for the first six months, 25 cents per

hour, with an increase of $2\frac{1}{2}$ cents per hour for each six months thereafter up to and including the first three years; 5 cents per hour increase for the first six months of the fourth year and $7\frac{1}{2}$ cents per hour for the last six months of the fourth year.

SECTION 1-A. If retained in the service after the expiration of their apprenticeship, apprentices in the respective trades shall receive not less than the minimum rate established for their craft.

SECTION 2. Helpers in the basic trades herein specified will be paid 45 cents per hour.

SECTION 3. Helper apprentices will receive the minimum helper rate for the first six months, with an increase of 2 cents per hour for every six months thereafter until they have served three years.

SECTION 3-A. Fifty per cent of the apprentices may consist of helpers who have had not less than two consecutive years' experience in their respective trades in the shop on the division where advanced. In the machinist, sheet-metal worker, electric, and molder trades the age limit for advancement will be 25 years; in the boilermaker, blacksmith, and carmen trades 30 years.

SECTION 4. In the locomotive and car departments gang foremen or leaders and all men in minor supervisory capacity and paid on an hourly basis will receive 5 cents per hour above the rates provided for their respective crafts.

SECTION 5. The supervisory forces of the locomotive and car departments, paid on a monthly basis and exercising supervision over the skilled crafts, will be paid an increase of \$40 per month in addition to the monthly rate as of January 1, 1918, with a minimum of \$155 per month and a maximum of \$250 per month.

ARTICLE IV.—GENERAL APPLICATION.

SECTION 1. Each railroad will in payments to employees on and after July 1, 1918, include these increases therein.

SECTION 1-A. The increases in wages and the rates established herein shall be effective as of January 1, 1918, and are to be paid according to the time served to all who were then in the railroad service, or who have come into such service since, and remained therein. A proper ratable amount shall also be paid to those who for any reason since January 1, 1918, have been dismissed from the service, but shall not be paid to those who have left it voluntarily. Men who have left the railroad service to enter the military service of the Army or Navy shall be entitled to the pro rata increase accruing on their wages up to the time they left, and the same rule shall apply to those who have been transferred from one branch of the railroad service, or from one road, to another.

SECTION 2. The hourly rates named herein are for an eight-hour day and one and one-half time will be paid for all overtime, including

Sundays and the following holidays: New Year's Day, Washington's Birthday, Decoration Day, Fourth of July, Labor Day, Thanksgiving, and Christmas.

SECTION 3. While the specific rates per hour named herein will be retroactive to January 1, 1918, the special overtime provisions established in section 2 of this article will be effective as of August 1, 1918, with the provision that in computing overtime to determine back pay to January 1, 1918, overtime will be paid at a pro rata rate for all overtime worked in excess of the hours constituting the recognized day or night shift, except where higher overtime rate basis exists, or has been applied, in which event the more favorable condition shall be the basis of computing back pay accruing from this order.

SECTION 4. Employees, except monthly salaried employees, coming within the scope of this order, sent out on the road for emergency service, shall receive continuous time from the time called until their return as follows: Overtime rates for all overtime hours whether working, waiting, or traveling, and straight time for the recognized straight time hours at home stations, whether working, waiting, or traveling, except that after the first 24 hours, if the work is completed or they are relieved for 5 hours or more, such time shall not be paid for, provided that in no case shall an employee be paid for less than 8 hours on week days and 8 hours at one and one-half time for Sundays and holidays for each calendar day. Where meals and lodging are not provided by the railroad an allowance will be made for each meal or lodging. Employees will receive allowance for expenses not later than the time when they are paid for the service rendered.

SECTION 5. Employees specified herein, when sent from home point to temporarily fill vacancy or perform work at outside division points, will be paid straight time and overtime rates as per shop rules, including going and return trip, in addition to which they will be paid pro rata at the rate of \$2 per day for meals and lodging.

SECTION 6. Carmen stationed at points requiring only one employee on day shift or night shift, or day and night shifts, shall be paid eight hours at not less than the hourly rate provided herein.

SECTION 7. Mechanics now regularly assigned to perform road work and paid on a monthly basis shall be paid for eight hours at not less than the hourly rate provided herein.

SECTION 8. Employees on a piecework basis shall receive not less than the minimum rate per hour awarded to the hourly workers, including time and one-half for overtime, as hereinbefore provided; otherwise piecework rates provided in General Order No. 27 shall apply.

SECTION 9. The application of this order shall not, in any case, operate to establish a less favorable wage rate than in effect January 1, 1918.

ARTICLE V.—PAYMENTS FOR BACK TIME.

SECTION 1. As promptly as possible the amount due in back pay from January 1, 1918, in accordance with the provisions of this order, will be computed and payment made to the employees, separately from the regular monthly payments, so that employees will know the exact amount of these back payments.

SECTION 2. Recognizing the clerical work necessary to make these computations for back pay, and the probable delay before the entire period can be covered, each month, beginning with January, shall be computed as soon as practicable, and, as soon as completed, payments will be made.

ARTICLE VI.—INTERPRETATION OF THIS ORDER.

SECTION 1. Railway Board of Adjustment No. 2 is authorized by Article IX of General Order No. 27 to perform the following duty:

Wages and hours, when fixed by the Director General, shall be incorporated into existing agreements on the several railroads, and should differences arise between the managements and the employees of any of the railroads as to such incorporation, such questions of difference shall be decided by the Railway Board of Adjustment No. 2 when properly presented, subject always to review by the Director General.

SECTION 2. In addition to the foregoing, other questions arising as to the intent or application of this order in respect to the classes of employees within the scope of Railway Board of Adjustment No. 2 shall be submitted to such board, which board shall investigate and report its recommendations to the Director General.

SECTION 3. All rates applied under this order shall be filed by the Regional Directors with the Board of Railroad Wages and Working Conditions.

SECTION 4. The rates, increases, and other conditions of employment herein established for the classes of employees herein specified shall supersede the rates, increases, and other conditions established by General Order 27, except as provided in section 8, Article IV.

In reaching the conclusions upon which this order is based, I have been keenly conscious not alone of the interests of the large number of railway employees who are greatly benefited thereby, but also of my solemn duty to the American people to see to it that the trust they have committed to me is discharged faithfully, with justice to them as well as to the railroad employees concerned. No right decision can be made which considers only the demands and interests of any class of men apart from the paramount interest of the public and the supreme necessity of winning this war.

Now that the decision has been made, the American people, whose servants we are, expect every railroad employee to devote himself with new energy to his work, and by faithful and efficient service to justify the large increases of pay and the improvement in working conditions hereby granted. The American people have a right to expect this and they will be content with nothing less.

It is of the utmost importance that motive power and cars shall be kept in repair and that the output of railroad shops throughout the country shall be greatly increased in the future. Unless this is done, the railroads can not efficiently perform the increased duties imposed upon them by the war, and the fighting power of our armies in France and of our navies on the high seas will be seriously impaired.

I am proud of the loyal service the great body of railroad men throughout the country have rendered to their Government since the railroads have come under Federal control. It is a genuine pleasure to make this acknowledgment, but I should not fail to say at the same time that there are instances where agitations and disturbances in some of the locomotive and car shops have been extremely hurtful to the country. The loyal and patriotic employees, who constitute the great majority of the army of railroad workers, have not yielded, be it said to their credit and honor, to these disturbances. But the few who have done their country a grievous injury by impairing the efficiency and reducing the output of the shops where these disturbances have occurred.

The loyal and patriotic employees can render a new and powerful service to their country by using their influence to expose any who may become slackers in their work, by cooperating with their officers in the enforcement of discipline, and by increasing, to the utmost limit of their capacity, the output of locomotives and cars which are so essential to the efficient operation of the railroads of the country and to the success of our armies in the field. I know I can count on the patriotism and devotion to duty of every true American engaged in the railway service of the United States.

W. G. McADOO,
Director General of Railroads.

ADDENDUM NO. 1 TO SUPPLEMENT NO. 4 TO GENERAL ORDER No. 27.

WASHINGTON, D. C., September 1, 1918.

Effective September 1, 1918, superseding General Order No. 27 and in lieu thereof, as to the employees herein named, the following rates of pay and rules for coach cleaners are hereby ordered:

ARTICLE I.—RATES OF PAY.

(a) For coach cleaners who were on January 1, 1918, prior to the application of General Order No. 27, receiving less than sixteen (16)

cents per hour, establish a basic minimum rate of sixteen (16) cents per hour, and to this basic minimum rate and all hourly rates of sixteen (16) cents and above add twelve (12) cents per hour, establishing a minimum rate of twenty-eight (28) cents per hour, provided that the maximum shall not exceed forty (40) cents per hour.

(b) All coach cleaners shall be paid on the hourly basis.

ARTICLE II.—PRESERVATION OF RATES.

(a) The minimum rates and all rates in excess thereof, as herein established, and higher rates which have been authorized since January 1, 1918, except by General Order No. 27, shall be preserved.

(b) Coach cleaners temporarily or permanently assigned to higher-rated positions shall receive the higher rates while occupying such positions; coach cleaners temporarily assigned to lower-rated positions shall not have their rates reduced.

ARTICLE III.—HOURS OF SERVICE.

Eight consecutive hours, exclusive of the meal period, shall constitute a day's work.

ARTICLE IV.—OVERTIME.

(a) Where there is no existing agreement or practice more favorable to the employees, overtime will be computed for the ninth and tenth hour of continuous service, pro rata on the actual minute basis, and thereafter at the rate of time and one-half time. Even hours will be paid for at the end of each pay period; fractions thereof will be carried forward.

(b) Coach cleaners will not be required to suspend work during regular hours to absorb overtime.

ARTICLE V.—APPLICATION.

The rates of pay and rules herein established shall be incorporated into existing agreements on the several railroads.

W. G. McADOO,
Director General of Railroads.

ADDENDUM NO. 2 TO SUPPLEMENT NO. 4 TO GENERAL ORDER NO. 27.

WASHINGTON, D. C., September 1, 1918.

Effective September 1, 1918, and as provided for in section 1-C of Article II of Supplement No. 4 to General Order No. 27, the following rates of compensation for certain classes of employees specified herein in the respective shop crafts who have heretofore received a rate in excess of the established minimum rate and rates of compensation for classes of employees named in sections 5 and 6 of this order which were not included in Supplement No. 4 are hereby ordered.

ARTICLE I.

BOILERMAKERS.

SEC. 1. For flangers and layers out, establish a rate of two and one-half ($2\frac{1}{2}$) cents per hour above the minimum rate established for boilermakers, at point employed.

BLACKSMITHS.

SEC. 2. For hammersmiths working out of heavy furnaces and frame fire blacksmiths, establish a rate of two and one-half ($2\frac{1}{2}$) cents per hour above the minimum rate established for blacksmiths, at point employed.

CARMEN.

SEC. 3. For cabinetmakers, coach and locomotive carpenters, upholsterers, planing mill men, millwrights, pattern makers, passenger train steel car body builders and repairers, air brake rack men, coach and locomotive painters employed to perform varnishing, surfacing, lettering, or decorating; silver and nickel platers and buffers; oxy-acetylene, thermit, and electric welders, on work generally recognized as carmen's work, who were on January 1, 1918, receiving less than fifty-five (55) cents per hour, establish a basic minimum rate of fifty-five (55) cents per hour; and to this basic minimum rate, and all other hourly rates of fifty-five (55) cents per hour and above in effect as of January 1, 1918, add thirteen (13) cents per hour, establishing a minimum rate of sixty-eight (68) cents per hour.

FREIGHT TRAIN STEEL CAR BUILDERS AND REPAIRERS.

SEC. 4. For freight train steel car body builders and repairers, who on January 1, 1918, were receiving less than fifty (50) cents per hour, establish a basic minimum rate of fifty (50) cents per hour, and to this basic minimum rate, and all other hourly rates of fifty (50) cents per hour and above in effect as of January 1, 1918, add thirteen (13) cents per hour, establishing a minimum rate of sixty-three (63) cents per hour.

CAR DEPARTMENT EMPLOYEES.

SEC. 5. Include stock keepers (car department) as carmen helpers, with the rate established for helpers of shop crafts.

GENERAL.

SEC. 6. For piecework inspectors and routers, apply section 4, Article III of Supplement No. 4 to General Order No. 27.

MISCELLANEOUS.

SEC. 7. On some of the railroads and at certain main shop points of certain other railroads, boilermakers, classified and performing the

work of boiler inspectors, and those of the shop crafts designated in Supplement No. 4 to General Order No. 27, engaged in operating oxyacetylene, thermit, and electric welding appliances, received a rate in excess of the recognized standard or going rate of the mechanics; where this practice was in effect, establish a rate of two and one-half (2½) cents per hour above the minimum rate established for the mechanic in Supplement No. 4 to General Order No. 27.

APPLICATION.

SEC. 8. The application of this order shall not in any case operate to establish a less favorable rate or condition than provided for in Supplement No. 4 to General Order No. 27.

SEC. 9. For application of the provisions of this order, see Articles IV, V, and VI, Supplement No. 4 to General Order No. 27, excepting therefrom such provisions as relate to its effective date.

W. G. McADOO,
Director General of Railroads.

AMENDMENT NO. 1 TO SUPPLEMENT NO. 4 TO GENERAL ORDER NO. 27.

WASHINGTON, D. C., *September 23, 1918.*

To remove certain inequities resulting from the application of section 2, Article III, of Supplement No. 4 to General Order No. 27, and as a substitute therefor, it is hereby ordered, effective September 1st, 1918:

COMPENSATION FOR HELPERS—SHOP CRAFTS.

For helpers in the basic trades specified in Supplement No. 4 to General Order No. 27, who, on January 1, 1918, were receiving less than thirty-two (32) cents per hour, establish a basic minimum rate of thirty-two (32) cents per hour; to this basic minimum rate, and all hourly rates of thirty-two (32) cents per hour and above in effect as of January 1, 1918, add thirteen (13) cents per hour, establishing a minimum rate of forty-five (45) cents per hour.

W. G. McADOO,
Director General of Railroads.

INTERPRETATION NO. 1 TO SUPPLEMENT NO. 4 TO GENERAL ORDER NO. 27 AND ADDENDUM NO. 2 THERETO.

WASHINGTON, D. C., *September 16, 1918.*

Employees in any department, performing the classes of work specified in Supplement No. 4 to General Order No. 27 and Addendum No. 2 thereto, shall receive the rates of pay and be governed by the conditions of employment provided for therein.

If their present pay-roll classification does not conform, they shall be given correct classification.

W. G. McADOO,
Director General of Railroads.

INTERPRETATION NO. 2 TO SUPPLEMENT NO. 4 TO GENERAL ORDER NO. 27.

WASHINGTON, December 17, 1918.

QUESTION.

(a) Does Supplement No. 4, its amendments, addenda, and interpretations, to General Order No. 27, apply to mechanics and helpers engaged in the construction, maintenance, and repair of electric, electric-pneumatic, electric-mechanical, and mechanical interlocking and signaling systems?

(b) Machinists, electricians, blacksmiths, pipe fitters, etc., and their respective helpers are employed on the work above specified. How shall they be classified?

DECISION.

Apply Interpretation No. 1 to Supplement No. 4, issued under date of September 16, 1918, reading as follows:

“Employees in any department performing the classes of work specified in Supplement No. 4 to General Order No. 27 and Addendum No. 2 thereto, shall receive the rates of pay and be governed by the conditions of employment provided for therein.

“If their present pay-roll classification does not conform, they shall be given correct classification.”

The classification of a composite mechanic shall be based upon the preponderating class of work performed, and the rate of pay shall not be less than the minimum hourly rate of highest rated craft represented in the crafts of which he is the composite.

Example (a).—A mechanic performs work coming under the classification of machinist, sheet-metal worker, first and second class electrical worker, the preponderating amount of work is that of a second-class electrical worker. He shall be classified as an electrician and paid not less than 68 cents per hour.

Example (b).—A mechanic performs work coming under the classification of machinist, sheet-metal worker, first and second class electrical worker, the preponderating amount of work is that of a machinist. He shall be classified as a machinist and paid not less than 68 cents per hour.

This decision shall not be construed—

(1) To supersede, alter, or amend the lines of demarcation as recognized by the crafts who respectively perform the work enu-

ERRATUM.

[Insert in Bulletin No. 4 (Revised) facing page 238.]

INTERPRETATION No. 1½ TO SUPPLEMENT NO. 4 AND ITS ADDENDA TO GENERAL ORDER NO. 27.

WASHINGTON, November 4, 1918.

QUESTION.

Is it permissible to assign a mechanic's helper, when mechanic is off duty for any cause, to the mechanic's work at mechanic's rate for that time only?

DECISION.

Helpers are not to be assigned to mechanics' work, except as helper apprentices, in accordance with Section 3-A, Article III, Supplement No. 4 to General Order No. 27, and the governing rules of existing agreements, or under the conditions contained in the Director General's memorandum to Mr. A. O. Wharton, President of the Railway Employees Department, A. F. of L., under date of February 14, 1918; paragraphs 1 to 6 inclusive herewith quoted:

"1. The hours of labor in shops and roundhouses to be governed by the necessities as indicated by the general condition of equipment. At shops and roundhouses now working one shift which totals less than 70 hours per week, an increase, preferably on a seven-day basis, may be made. Where desired, working hours may be so arranged that men will be released at 4 p. m. on one day each week. Existing working agreements to govern the rates, subject to the action of the Railroad Wage Commission.

"2. All apprentices who have served three years may be promoted to mechanics and paid the going rate of wages for that position. Such promoted apprentices to be given the right of practical experience on work of their respective trades to which they had not been advanced during the three-year period.

"3. Helpers in their respective trades who have had five or more years' experience may be promoted to classification of mechanics; they to receive mechanics' rate and be given an opportunity to learn all branches of the trade.

"The duly authorized committeeman of each trade in each shop covered by agreements shall be consulted, and mutual understanding arrived at in promoting helpers, and the ratio of helpers to be promoted, to the number of mechanics in any one trade in any one shop, shall not exceed 20 per cent.

"The international officers and general chairmen of each trade on each road covered by agreements shall be furnished a complete record of the men promoted.

"4. Mechanics applying for employment will not be denied such employment for any cause other than inability to perform the work; this preference rule to be in effect as long as three-year apprentices or promoted helpers are employed at mechanics' rates.

"5. Where a reduction is made in the force of mechanics, promoted helpers in accordance with their seniority shall be set back first, then advanced apprentices; no mechanics to be laid off until all such promoted helpers and apprentices have been set back.

"6. The promotions above referred to are to meet an emergency caused by the war, and shall cease at the close of the war."

In the absence of an agreement with the employees coming within the scope of Supplement No. 4 (and its Addenda) to General Order No. 27 this decision shall govern.

W. G. McADOO,
Director General of Railroads.

merated in Supplement No. 4, its addenda and interpretations to General Order No. 27;

(2) To extend the practice of using a mechanic to perform the work of two or more crafts.

Whenever investigation develops that the work herein referred to can be arranged so as to assign mechanics to perform the work of one craft, such assignment shall be made.

W. G. McADOO,

Director General of Railroads.

INTERPRETATION No. 3 TO SUPPLEMENT No. 4 TO GENERAL ORDER No. 27. (See interpretation No. 3 to General Order No. 27.)

SUPPLEMENT No. 5 TO GENERAL ORDER No. 27.

WASHINGTON, D. C., *August 9, 1918.*

Effective August 1, 1918, the wages, hours, and other conditions of employment of employees of the Operating Department of the Pullman Company will be the same as those fixed in Supplement No. 4 to General Order No. 27 for corresponding classes of railroad employees, but none of the provisions named therein will be retroactive prior to August 1, 1918.

W. G. McADOO,

Director General of Railroads.

SUPPLEMENT No. 6 TO GENERAL ORDER No. 27.

WASHINGTON, D. C., *August 30, 1918.*

In General Order No. 27 and supplements thereto, and in certain memoranda of understanding creating Railway Boards of Adjustment put in effect by General Orders No. 13 and No. 29, methods have been provided for interpretation of wage orders issued by the Director General upon recommendations of such boards and the Division of Labor, "subject always to review by the Director General." For the purpose of affording prompt interpretations of all wage orders issued by the Director General, the duties and authority of the Board of Railroad Wages and Working Conditions are hereby extended to include investigations and recommendations to the Director General of interpretations of all such wage orders, when requested to do so by the Director of the Division of Labor.

It should be understood by railroad employees that it is impracticable to give interpretation on ex parte statement to the thousands who request information as to the manner in which wage orders should be applied in individual cases. Operating officials of the railroads are

required to place wage orders in effect fairly and equitably, and should differences of opinion arise necessitating a formal interpretation, the matter will be disposed of in the following manner:

When a wage order is placed in effect in a manner with which an employee, or the employee's committee disagrees, a joint statement quoting the language of the wage order, and including the contentions of employees and the contentions of officials, signed by the representatives of the employees and the officials, will be transmitted to the Director of Labor, who will record and transmit same to the Board of Railroad Wages and Working Conditions, which will promptly investigate and make recommendation to the Director General. Upon the receipt of interpretation from the Director General, the Director of Labor will transmit such interpretation to the Railway Boards of Adjustment for their information and guidance, in the application of such interpretation to existing conditions, or to questions arising from the incorporation of the order as so interpreted into existing agreements on all railroads under Federal control. As occasion demands, all interpretations will be printed and given general publicity, for the purpose of communicating the information to all concerned, and thus avoiding the necessity of duplication of interpretations.

On and after September 1st, 1918, any disagreement between the employees and the officials, over the application of any wage order, will be submitted to the Director of Labor, as outlined above, but in order promptly to dispose of all requests for interpretations previously presented to the Division of Labor, or to the Boards of Adjustment, such requests will be immediately recorded and transmitted to the Board of Railroad Wages and Working Conditions by the Director of Labor.

Nothing herein contained revokes authority granted to the Division of Labor of Railway Boards of Adjustment in determining disputes arising in connection with the application of interpretations of wage orders to existing conditions, or in connection with the incorporation of such interpretations into existing agreements.

W. G. McADOO,
Director General of Railroads.

SUPPLEMENT NO. 6-A TO GENERAL ORDER NO. 27.

WASHINGTON, D. C., October 28, 1918.

Supplement No. 6 to General Order No. 27 is hereby amended by adding thereto the following:

Where differences of opinion arise necessitating a formal interpretation of any Wage Order issued by the Director General and where

the question involved is of general application and covers a large number of railroads, application for such interpretation may be made either by a Regional Director or by the chief executive of the railroad organization representing the class of employees involved or the Chairman of any Railway Board of Adjustment or the Director of the Division of Labor. Such application shall be sent to the office of the Director of Labor and he will record and transmit it to the Board of Railroad Wages and Working Conditions, which will promptly investigate and make recommendation to the Director General. Upon the receipt of interpretation from the Director General, the Director of Labor will send such interpretation to the Railway Boards of Adjustment for their information and guidance.

W. G. McADOO,
Director General of Railroads.

SUPPLEMENT NO. 7 TO GENERAL ORDER NO. 27.

WASHINGTON, D. C., September 1, 1918.

Effective September 1, 1918, superseding General Order No. 27, and in lieu thereof, as to the employees herein named, the following rates of pay and rules for overtime and working conditions for all clerical forces in all departments, and for certain employees in stations, storage or terminal warehouses, docks, storerooms, shops, and yards, upon railroads under Federal control, are hereby ordered:

ARTICLE I.—RATES OF PAY.

(a) For all employees who devote a majority of their time to clerical work of any description, including train announcers, gate-men, checkers, baggage and parcel room employees, train and engine crew callers, and the operators of all office or station equipment devices (excepting such as come within the scope of existing agreements or those hereafter negotiated with the railroad telegraphers), establish a basic minimum rate of sixty-two dollars and fifty cents (\$62.50) per month; and to this basic minimum rate and all rates of sixty-two dollars and fifty cents (\$62.50) and above, in effect as of January 1, 1918, prior to the application of General Order No. 27, add twenty-five (25) dollars per month, establishing a minimum rate of eighty-seven dollars and fifty cents (\$87.50) per month.

(b) This order shall apply to chief clerks, foremen, subforemen, and other similar supervisory forces of employees herein provided for.

(c) For office boys, messengers, chore boys, and other employees under eighteen (18) years of age filling similar positions, and station attendants, establish a basic minimum rate of twenty (20) dollars per month, and to this basic minimum rate and all rates of

twenty (20) dollars per month and above, in effect as of January 1, 1918, prior to the application of General Order No. 27, add twenty-five (25) dollars per month, establishing a minimum rate of forty-five (45) dollars per month.

(d) For all other employees not otherwise classified, such as janitors, elevator and telephone switchboard operators, office, station, and warehouse watchmen, establish a basic minimum rate of forty-five (45) dollars per month, and to this basic minimum rate and all rates of forty-five (45) dollars per month and above, in effect as of January 1, 1918, prior to the application of General Order No. 27, add twenty-five (25) dollars per month, establishing a minimum rate of seventy (70) dollars per month.

(e) The same increases provided for in sections (a), (b), (c), and (d) of this article, shall apply to employees named therein paid on any other basis.

(f) The wages for new positions shall be in conformity with the wage for positions of similar kind or class where created.

ARTICLE II.—STATIONARY ENGINEERS (STEAM), FIREMEN, AND POWER-HOUSE OILERS.

(a) For all stationary engineers (steam), establish a basic minimum rate of eighty-five (85) dollars per month, and to this basic minimum rate, and all rates of eighty-five (85) dollars and above, in effect as of January 1, 1918, prior to the application of General Order No. 27, add twenty-five (25) dollars per month, establishing a minimum rate of one hundred ten (110) dollars per month.

(b) This order shall apply to chief stationary engineers.

(c) For all stationary firemen and power-house oilers, establish a basic minimum rate of sixty-five (65) dollars per month, and to this basic minimum rate, and all rates of sixty-five (65) dollars and above, in effect as of January 1, 1918, prior to the application of General Order No. 27, add twenty-five (25) dollars per month, establishing a minimum rate of ninety (90) dollars per month.

ARTICLE III.—LOCOMOTIVE BOILER WASHERS.

For all locomotive boiler washers who were on January 1, 1918, prior to the application of General Order No. 27, receiving less than twenty-six (26) cents per hour, establish a basic minimum rate of twenty-six (26) cents per hour, and to this basic minimum rate, and all hourly rates of twenty-six (26) cents and above, add twelve (12) cents per hour, establishing a minimum rate of thirty-eight (38) cents per hour, provided that the maximum shall not exceed fifty (50) cents per hour.

ARTICLE IV.—POWER TRANSFER AND TURNTABLE OPERATORS.

For all operators of power-driven transfer and turntables who were on January 1, 1918, prior to the application of General Order No. 27, receiving less than twenty-one (21) cents per hour, establish a basic minimum rate of twenty-one (21) cents per hour, and to this basic minimum rate, and all hourly rates of twenty-one (21) cents and above, add twelve (12) cents per hour, establishing a minimum rate of thirty-three (33) cents per hour, provided that the maximum shall not exceed forty-five (45) cents per hour.

ARTICLE V.—SHOP, ROUNDHOUSE, STATION, STOREHOUSE, AND WAREHOUSE EMPLOYEES (EXCEPT EMPLOYEES PROVIDED FOR IN HARBOR AWARDS).

(a) For all laborers employed in and around shops, roundhouses, stations, storehouses, and warehouses (except employees provided for in harbor awards), such as engine watchmen and wipers, fire builders, ash-pit men, boiler washer helpers, flue borers, truckers, stokers, shippers, coal passers, coal-chute men, etc., who were on January 1, 1918, prior to the application of General Order No. 27, receiving less than nineteen (19) cents per hour, establish a basic minimum rate of nineteen (19) cents per hour, and to this basic minimum rate, and all hourly rates of nineteen (19) cents and above, add twelve (12) cents per hour, establishing a minimum rate of thirty-one (31) cents per hour, provided that the maximum shall not exceed forty-three (43) cents per hour.

(b) For all common labor in the departments herein referred to and not otherwise provided for, who were on January 1, 1918, prior to the application of General Order No. 27, receiving less than sixteen (16) cents per hour, establish a basic minimum rate of sixteen (16) cents per hour, and to this basic minimum rate and all hourly rates of sixteen (16) cents and above, add twelve (12) cents per hour, establishing a minimum rate of twenty-eight (28) cents per hour, provided that the maximum shall not exceed forty (40) cents per hour.

ARTICLE VI.—MONTHLY, WEEKLY, OR DAILY RATES.

For all monthly, weekly, or daily rated employees in the departments herein referred to and not otherwise provided for, increase the rates in effect as of January 1, 1918, prior to the application of General Order No. 27, on the basis of twenty-five (25) dollars per month.

ARTICLE VII.—MAXIMUM MONTHLY WAGE.

No part of the increases provided for in this order shall apply to establish a salary in excess of two hundred fifty (250) dollars per month.

ARTICLE VIII.—PRESERVATION OF RATES.

(a) The minimum rates, and all rates in excess thereof, as herein established, and higher rates which have been authorized since January 1, 1918, except by General Order No. 27, shall be preserved.

(b) Employees temporarily or permanently assigned to higher-rated positions shall receive the higher rates while occupying such positions; employees temporarily assigned to lower-rated positions shall not have their rates reduced.

ARTICLE IX.—EXCEPTION.

The provisions of this order will not apply in cases where amounts less than thirty (30) dollars per month are paid to individuals for special service which only takes a portion of their time from outside employment or business.

ARTICLE X.—HOURS OF SERVICE.

Eight (8) consecutive hours, exclusive of the meal period, shall constitute a day's work.

ARTICLE XI.—OVERTIME AND CALLS.

(a) Where there is no existing agreement or practice more favorable to the employees, overtime shall be computed for the ninth and tenth hour of continuous service, pro rata on the actual minute basis, and thereafter at the rate of time and one-half time. Even hours will be paid for at the end of each pay period; fractions thereof will be carried forward.

(b) When notified or called to work, outside of established hours, employees will be paid a minimum allowance of three hours.

(c) Employees will not be required to suspend work during regular hours to absorb overtime.

ARTICLE XII.—PROMOTION AND SENIORITY.

(a) Promotions shall be based on ability, merit, and seniority, ability and merit being sufficient, seniority shall prevail, except, however, that this provision shall not apply to the personal office forces of such officers as superintendent, train master, division engineer, master mechanic, general freight or passenger agent, or their superiors in rank and executive officers. The management shall be the judge, subject to an appeal, as provided in Article XIII.

(b) Seniority will be restricted to each classified department of the general and other offices and of each superintendent's or master mechanic's division.

(c) Seniority rights of employees referred to herein, to:

(1) New positions,

(2) Vacancies will be governed by paragraphs (a) and (b) of this article.

(d) Employees declining promotion shall not lose their seniority.
 (e) Employees accepting promotion will be allowed thirty (30) days in which to qualify, and failing, will be returned to former position without loss of seniority.

(f) New positions or vacancies will be promptly bulletined for a period of five (5) days in the departments where they occur. Employees desiring such positions will file their applications with the designated official within that time, and an appointment will be made within ten (10) days thereafter. Such position or vacancy may be filled temporarily pending an assignment. The name of the appointee will immediately thereafter be posted where the position or vacancy was bulletined.

(g) In reducing forces, seniority shall govern. When forces are increased, employees will be returned to the service and positions formerly occupied, in the order of their seniority. Employees desiring to avail themselves of this rule must file their names and addresses with the proper official. Employees failing to report for duty or give satisfactory reason for not doing so within seven (7) days from date of notification will be considered out of the service.

(h) A seniority roster of all employees in each classified department, who have been in the service six (6) months or more, showing name, date of entering the service, and the date of each promotion or change, will be posted in a place accessible to those affected.

(i) The roster will be revised and posted in January of each year, and shall be open to correction for a period of sixty (60) days from date of posting, on presentation of proof of error by an employee or his representative. The duly accredited representative of the employee shall be furnished with a copy of roster upon written request.

ARTICLE XIII.—DISCIPLINE AND GRIEVANCES.

(a) An employee disciplined, or who considers himself unjustly treated, shall have a fair and impartial hearing, provided written request is presented to his immediate superior within five (5) days of the date of the advice of discipline, and the hearing shall be granted within five (5) days thereafter.

(b) A decision will be rendered within seven (7) days after the completion of hearing. If an appeal is taken, it must be filed with the next higher official and a copy furnished the official whose decision is appealed within five (5) days after date of decision. The hearing and decision on the appeal shall be governed by the time limits of the preceding section.

(c) At the hearing or on the appeal, the employee may be assisted by a committee of employees, or by one or more duly accredited representatives.

(d) The right of appeal by employees or representatives, in regular order of succession and in the manner prescribed up to and inclusive of the highest official designated by the railroad, to whom appeals may be made, is hereby established.

(e) An employee on request will be given a letter, stating the cause of discipline. A transcript of evidence taken at the investigation or on the appeal will be furnished on request to the employee or representative.

(f) If the final decision decrees that charges against the employee were not sustained, the record shall be cleared of the charge; if suspended or dismissed, the employee shall be returned to former position and paid for all time lost.

(g) Committees of employees shall be granted leave of absence and free transportation for the adjustment of differences between the railroad and the employees.

ARTICLE XIV.—RULES FOR APPLICATION OF THIS ORDER.

(a) It is not the intention of this order to change the number of days per month for monthly paid employees. The increases per month provided for herein shall apply to the same number of days per month which were worked as of January 1, 1918.

(b) The pay of female employees, for the same class of work, shall be the same as that of men, and their working conditions must be healthful and fitted to their needs. The laws enacted for the government of their employment must be observed.

ARTICLE XV.—INTERPRETATION OF THIS ORDER.

The rates of pay and rules herein established shall be incorporated into existing agreements and into agreements which may be reached in the future, on the several railroads; and should differences arise between the management and the employees of any of the railroads as to such incorporation, intent, or application of this order prior to the creation of additional railway boards of adjustment, such questions of difference shall be referred to the Director of the Division of Labor for decision, when properly presented, subject always to review by the Director General.

Agreements or practices, except as changed by this order, remain in effect.

W. G. McADOO,
Director General of Railroads.

INTERPRETATION NO. 1 TO SUPPLEMENT NO. 7 TO GENERAL ORDER
No. 27.

OVERTIME MONTHLY, WEEKLY OR DAILY PAID EMPLOYEES.

WASHINGTON, D. C., November 23, 1918.

ARTICLE I.

Eight consecutive hours, exclusive of the meal period, constituting a day's work from the effective date of Supplement No. 7 to General Order No. 27, the increases provided for therein and applicable to monthly, weekly and daily paid employees, specified in Articles I, II and VI of Supplement No. 7, are based upon the recognized number of working days constituting a calendar year (including Sundays and or holidays where they have been considered a part of the employee's assignment), and the rates of pay in effect January 1, 1918, prior to the application of General Order No. 27, exclusive of overtime. The following examples illustrate the method to be used in establishing the straight time hourly rate as the basis of payment for overtime service:

Example (a) Employees working thirty days per month at a wage amounting to \$60.00 per month on January 1, 1918, prior to the application of General Order No. 27, would on September 1, 1918, under Supplement No. 7, Article I—(a) automatically advance to the basic rate of \$62.50 per month, plus \$25.00 increase, establishing the rate of \$87.50 or \$1,050.00 per year. In computing the pro rata rate per hour for overtime pay for monthly, weekly or daily paid employees, take the number of working days constituting a calendar year, multiply by eight and divide the annual salary by the total hours, exclusive of overtime and disregarding time absent on vacations, sick leave, holidays, or for any other causes. In determining the hourly rate, fractions less than one-fourth of one cent shall be as one-fourth of one cent; over one-fourth and under one-half, as one-half cent; over one-half and under three-fourths, as three-fourths; over three-fourths, as one cent.

Example (b) Yearly wage \$1,050.00 \div 2,880 hours=36.45 or 36.5¢ per hour.

Example (c) Yearly wage \$1,200.00 \div 2,880 hours=41.66 or 41.75¢ per hour.

Example (d) Yearly wage \$1,300.00 \div 2,880 hours=45.14 or 45.25¢ per hour.

Example (e) Yearly wage \$1,500.00 \div 2,880 hours=52.1 or 52.25¢ per hour.

Example (f) Yearly wage \$1,800.00 \div 2,880 hours=62.5¢ per hour.

NOTE.—It is to be understood that 2,880 hours is illustrative only; the hours per year will vary as the assigned work days per year vary.

ARTICLE II.

On February 21, 1918, the Director General issued General Order No. 8, paragraph 3 thereof reading as follows:

The broad question of wages and hours will be passed upon and reported to the Director General as promptly as possible by the present Railroad Wage Commission. Pending a disposition of these matters by the Director General, all requests of employees involving revisions of schedules or general changes

in conditions affecting wages and hours will be held in abeyance by both the managers and employees. Wages, when determined upon, will be made retroactive to January 1, 1918, and adjusted accordingly. Matters of controversy arising under interpretations of existing wage agreements and other matters not relating to wages and hours will take their usual course, and in the event of inability to reach a settlement, will be referred to the Director General.

If employees coming within the scope of Supplement No. 7 to General Order No. 27, were paid a punitive rate of overtime after the regular day's work, Sundays and or holidays prior to February 21, 1918, the same conditions should apply on the eight hour basis. Any punitive overtime rate established by employees under this interpretation since February 21, 1918, except as established by the Director General is unauthorized and can not be recognized.

Example (a) Employees working ten hours per day January 1, 1918, prior to the application of General Order No. 27, and who were, prior to February 21, 1918, paid at the rate of time and one-half time for overtime, should be paid as follows:

8 a. m. to 12 noon	4 hours' work
12 noon to 1 p. m.	1 hour for meal excluded
1 p. m. to 5 p. m.	4 hours' work
5 p. m. to 7 p. m.	2 hours at rate of time and one-half time.

Elapsed time	11 hours
Time for meal	1 hour deducted
Overtime	2 hours
Total time to be paid for	11 hours

Example (b) Overtime commences immediately following the eighth consecutive hour of continuous service, after deducting the meal period. On the basis of pro rata time for the ninth and tenth hour.

8 a. m. to 12 noon	4 hours
12 noon to 1 p. m.	1 hour for meal excluded
1 p. m. to 5 p. m.	4 hours' work
5 p. m. to 7 p. m.	2 hours' overtime, pro rata rate
7 p. m. to 9 p. m.	2 hours' overtime, $1\frac{1}{2}$ times prorata rate

Elapsed time	13 hours
Time of meal	1 hour deducted
Continuous service	12 hours
Total time to be paid for	13 hours

Example (c) Employees working straight through eight consecutive hours.	
6 a. m. to 2 p. m.	8 hours' work
2 p. m. to 4 p. m.	2 hours' overtime, pro rata rate
4 p. m. to 6 p. m.	2 hours' overtime, $1\frac{1}{2}$ times pro rata rate

Elapsed time	12 hours
Continuous service	12 hours
Total time to be paid for	13 hours

ARTICLE III.—HOURLY RATES.

The employees coming under the provisions of Article III, IV and V of Supplement No. 7 to General Order No. 27, who were on January 1, 1918, prior to the application of General Order No. 27, paid on a basis of ten hours or more to constitute a day, for whom hourly rates have been established, as per the above specified articles, shall, on and after September 1, 1918, the effective date of Supplement No. 7, receive one-eighth of the wages received for ten hours on January 1, 1918, prior to the application of General Order No. 27, as their basic hourly rate, to which shall be added twelve cents per hour, provided the hourly rate thus obtained shall not exceed the maximum rate specified in the respective articles.

Example (a) Employees coming under the provisions of Articles III, IV and V of Supplement No. 7, to General Order No. 27, on a ten-hour basis, rate \$2.50 per day; one-eighth of 250 equals 31.25 cents per hour, adding the increase of twelve cents produces a rate of 43.25 cents under Articles III and IV. Under Article V—(a), the rate would revert to the maximum of forty-three cents; under Article V—(b), the rate would revert to the maximum of forty cents.

NOTE.—To determine the hourly rate to be paid employees on the hourly basis and for whom ten hours or more were the established hours of service, use the method and example (a) of above Article III; for classes specified in Supplement No. 7, Articles III, IV and V, working less than ten hours, and over eight hours, one-eighth of the wage received for the number of hours recognized as a day's work.

ARTICLE IV.—PAY FOR CALLS.

Employees who are notified or called to work outside the eight consecutive hours, exclusive of the meal period and continuous service, constituting their regular assignment, shall be paid a minimum allowance of three hours for two hours work or less; if held over two hours, time and one-half will be paid, computed on the minute basis.

Example (a)

8 a. m. to 12 noon.....	4 hours' work
12 noon to 1 p. m.....	1 hour for meal excluded
1 p. m. to 5 p. m.....	4 hours' work
6 p. m. to 7.30 p. m.....	1½ hours' overtime, 1½ times pro rata rate
Elapsed time.....	11½ hours
Time for meal.....	1 hour
Break in continuous service.....	1 hour
Time for call.....	3 hours, minimum guarantee
Total time to be paid for.....	11 hours

ARTICLE V.

Exclusive of employees whose regular assignment includes Sundays and or holidays, employees notified or called to work on Sundays and or holidays, will be paid not less than the minimum allowance

of three hours, and where no existing agreement or practice is more favorable, such employees will be paid as per Examples (b) and (c) of Article II.

ARTICLE VI.

Payment of overtime at a rate in excess of pro rata will be computed from and added to the pro rata rate.

ARTICLE VII.

Unless acceptable to a majority of employees in a department or subdivision thereof, the meal period shall not be less than thirty minutes or more than one hour.

ARTICLE VIII.

Where unjustifiable inequalities develop or exist in the rates of pay for relatively the same service and responsibility, as between employees of the same class within the respective groups, as specified in Supplement No. 7 to General Order No. 27, the Regional Directors are hereby authorized to establish uniform rates of pay by zones or districts throughout their respective regions, under the following conditions:

- (a) The maximum rates established by Supplement No. 7 to General Order No. 27 must not be exceeded.
- (b) Rates established by Supplement No. 7 to General Order No. 27 must not be reduced.
- (c) The specified differentials in the established maximum rates for hourly workers to be preserved.
- (d) All rates herein provided for shall be filed by the Regional Directors with the Board of Railroad Wages and Working Conditions.

W. G. McADOO,
Director General of Railroads.

INTERPRETATION NO. 2 TO SUPPLEMENT NO. 7 TO GENERAL ORDER No. 27.

WASHINGTON, D. C., November 30, 1918.

QUESTION.—Shall employees coming under the provisions of paragraph (a), Article V, Supplement No. 7 to General Order No. 27, paid on a tonnage or piecework basis and earning in excess of 43 cents per hour (the maximum rate established) receive any portion of the increase provided for, if thereby such increase would establish a rate in excess of 43 cents per hour?

DECISION.—Paragraph (2), Article V, of Supplement No. 7 to General Order No. 27 specifically states: "Provided that the maximum shall not exceed 43 cents per hour." Employees paid on a

tonnage or piecework basis whose average hourly earnings, per day period, equal 43 or more cents per hour are therefore not entitled to any portion of the increase, but are guaranteed not less than 43 cents per hour.

The provisions of paragraph (2), Article VIII, Supplement No. 7 to General Order No. 27, protects higher rates and is to be observed.

W. G. McADOO,
Director General of Railroads.

SUPPLEMENT NO. 8 TO GENERAL ORDER NO. 27.

WASHINGTON, D. C., September 1, 1918.

Effective September 1, 1918, superseding General Order 27, and in lieu thereof, as to the employees herein named, the following rates of pay and rules for overtime and working conditions for all employees in the Maintenance of Way Department (except mechanics and helpers where provided for in Supplement No. 4, General Order No. 27, and clerical forces), upon railroads under Federal control are hereby ordered:

ARTICLE I.—RATES OF PAY.

(a) For all building, bridge, painter, signal and construction, mason and concrete, water supply, maintainer, and plumber foremen, establish a basic minimum rate of ninety (90) dollars per month, and to this basic minimum rate and all rates of ninety (90) dollars per month and above, in effect as of January 1, 1918, prior to the application of General Order No. 27, add twenty-five (25) dollars per month, establishing a minimum rate of one hundred fifteen (115) dollars per month.

(b) For all assistant building, bridge, painter, signal and construction, mason and concrete, water supply, maintainer, and plumber foremen, and for coal wharf, coal chute, and fence gang foremen; pile driver, ditching and hoisting engineers, and bridge inspectors, establish a basic minimum rate of eighty (80) dollars per month, and to this basic minimum rate and all rates of eighty (80) dollars per month and above, in effect as of January 1, 1918, prior to the application of General Order No. 27, add twenty-five (25) dollars per month, establishing a minimum rate of one hundred five (105) dollars per month.

(c) For all track foremen, establish a basic minimum rate of seventy-five (75) dollars per month, and to this basic minimum rate and all rates of seventy-five (75) dollars per month and above, in effect as of January 1, 1918, prior to the application of General

Order No. 27, add twenty-five (25) dollars per month, establishing a minimum rate of one hundred (100) dollars per month.

(d) Rates of pay for all assistant track foremen will be five (5) cents per hour in excess of the rate paid laborers whom they supervise.

(e) For all mechanics in the Maintenance of Way and Bridge and Building Departments, where not provided for in Supplement No. 4 to General Order No. 27, who were on January 1, 1918, prior to the application of General Order No. 27, receiving less than forty (40) cents per hour, establish a basic minimum rate of forty (40) cents per hour, and to this basic minimum rate and all rates of forty (40) cents per hour and above add thirteen (13) cents per hour, establishing a minimum rate of fifty-three (53) cents per hour.

(f) For helpers to all mechanics in the Maintenance of Way and Bridge and Building Departments, where not provided for in Supplement No. 4 to General Order No. 27, who were on January 1, 1918, prior to the application of General Order No. 27, receiving less than thirty (30) cents per hour, establish a basic minimum rate of thirty (30) cents per hour, and to this basic minimum rate and all hourly rates of thirty (30) cents per hour and above add thirteen (13) cents per hour, establishing a minimum rate of forty-three (43) cents per hour.

(g) For track laborers and all other classes of maintenance-of-way labor not herein named, who on January 1, 1918, prior to the application of General Order No. 27, were receiving less than sixteen (16) cents per hour, establish a basic minimum rate of sixteen (16) cents per hour, and to this basic minimum rate and all hourly rates of sixteen (16) cents per hour and above add twelve (12) cents per hour, establishing a minimum rate of twenty-eight (28) cents per hour, provided that the maximum shall not exceed forty (40) cents per hour.

(h) For drawbridge tenders and assistants, pile driver, ditching and hoisting firemen, pumper engineers and pumpers, crossing watchmen or flagmen, lamp lighters and tenders, add to the rate in effect as of January 1, 1918, prior to the application of General Order No. 27, twenty-five (25) dollars per month.

(i) The wages for new positions shall be in conformity with the wages for positions of similar kind or class in department where created.

ARTICLE II.—MONTHLY, WEEKLY, OR DAILY RATES.

For all monthly, weekly, or daily rated employees in the departments herein referred to, and not otherwise provided for, increase the rates in effect as of January 1, 1918, prior to the application of General Order No. 27 on the basis of twenty-five (25) dollars per month.

ARTICLE III.—MAXIMUM MONTHLY RATE.

No part of the increases herein specified shall be applied to establish a salary in excess of two hundred fifty (250) dollars per month.

ARTICLE IV.—PRESERVATION OF RATES.

(a) The minimum rates, and all rates in excess thereof, as herein established, and higher rates which have been authorized since January 1, 1918, except by General Order No. 27, shall be preserved.

(b) Employees temporarily or permanently assigned to higher rated positions shall receive the higher rates while occupying such positions; employees temporarily assigned to lower rated positions shall not have their rates reduced.

ARTICLE V.—EXCEPTION.

The provisions of this order will not apply in cases where amounts less than thirty (30) dollars per month are paid to individuals for special service which only takes a portion of their time from outside employment or business.

ARTICLE VI.—HOURS OF SERVICE.

Eight (8) consecutive hours, exclusive of the meal period, shall constitute a day's work.

ARTICLE VII.—OVERTIME AND CALLS.

(a) Where there is no existing agreement or practice more favorable to the employees, overtime shall be computed for the ninth and tenth hour of continuous service pro rata on the actual minute basis, and thereafter at the rate of time and one-half time. Even hours will be paid for at the end of each pay period; fractions thereof will be carried forward.

(b) When notified or called to work outside of established hours, employees will be paid a minimum allowance of three (3) hours.

(c) Employees will not be required to suspend work during regular hours to absorb overtime.

ARTICLE VIII.—PROMOTION AND SENIORITY RIGHTS.

(a) Promotions shall be based on ability, merit, and seniority. Ability and merit being sufficient, seniority shall prevail. The management shall be the judge, subject to an appeal as provided for in Article IX.

(b) The seniority rights of laborers, as such, will be restricted to their gangs, except where gang is abolished they may displace laborers in other gangs who are junior in service.

(c) Except as provided for in section (b) of this article, the seniority rights of employees referred to herein to—

- (1) New positions,
- (2) Vacancies: Will be governed by section (a) of this article, and will be restricted to the maintenance division upon which employed.

(d) Employees declining promotion shall not lose their seniority.

(e) Employees accepting promotion will be allowed thirty (30) days in which to qualify, and failing, will be returned to former position without loss of seniority.

(f) New positions or vacancies will be promptly bulletined for a period of five (5) days at the tool house or in the department where they occur. Employees desiring such positions will file their applications with the designated official within that time, and the appointment will be made within ten (10) days thereafter. Such position or vacancy may be filled temporarily pending assignment. The name of the appointee will immediately thereafter be posted where the position or vacancy was bulletined.

(g) In reducing forces, seniority shall govern; foremen will displace other foremen who are their junior in service before displacing laborers. When forces are increased, employees will be returned to the service and positions formerly occupied in the order of their seniority. Employees desiring to avail themselves of this rule must file their names and addresses with the proper official. Employees failing to report for duty or to give satisfactory reason for not doing so within seven (7) days from date of notification will be considered out of the service.

(h) Employees furloughed for six (6) months or less will retain their seniority.

(i) A seniority roster of all employees in each classified department, showing name, date of entering the service, and date of promotion, will be posted in a conspicuous accessible place in each roadmaster's or supervisor's office. The names of laborers who have been in the service at least six (6) months prior to date roster is posted or revised will be shown, with their relative standing and the date they entered the service.

(j) The roster will be revised and posted in January of each year, and shall be open to correction for a period of sixty (60) days after date posted on presentation of proof of error by an employee or representative. A copy will be furnished to each foreman or duly accredited representative upon request.

ARTICLE IX.—DISCIPLINE AND GRIEVANCES.

(a) An employee disciplined, or who considers himself unjustly treated, shall have a fair and impartial hearing, provided written

request is presented to his immediate superior within five (5) days of date of advice of discipline, and the hearing shall be granted within five (5) days thereafter.

(b) A decision will be rendered within seven (7) days after completion of hearing. If an appeal is taken, it must be filed with the next higher official and a copy furnished the official whose decision is appealed within five (5) days after date of decision. The hearing and decision on the appeal shall be governed by the time limits of the preceding section.

(c) At the hearing, or on the appeal, the employee may be assisted by a committee of employees, or by one or more duly accredited representatives.

(d) The right of appeal by employees or representatives, in regular order of succession and in the manner prescribed, up to and inclusive of the highest official designated by the railroad to whom appeals may be made, is hereby established.

(e) An employee on request will be given a letter stating the cause of discipline. A transcript of the evidence taken at the investigation or on the appeal will be furnished on request to the employee or representative.

(f) If the final decision decrees that charges against employee were not sustained, the record shall be cleared of the charge; if suspended or dismissed, the employee shall be returned to former position and paid for all time lost.

(g) Committees of employees shall be granted leave of absence and free transportation for the adjustment of differences between the railroad and the employee.

ARTICLE X.—GENERAL RULES.

(a) For main line, branch line, and yard section men, the day's work will start and end at point designated to report for duty at their respective sections or yards.

(b) Employees taken from their regular assignment or outfit, to work temporarily elsewhere, will be furnished with board and lodging at the railroad's expense.

(c) Unless they so desire, except in emergency, employees shall not be transferred from one division to another.

ARTICLE XI.—RULES FOR APPLICATION OF THIS ORDER.

(a) It is not the intention of this order to change the number of days per month for monthly paid employees. The increases per month provided for herein shall apply to the same number of days per month which were worked as of January 1, 1918.

(b) The pay of female employees, for the same class of work, shall be the same as that of men, and their working conditions must be healthful and fitted to their needs. The laws enacted for the government of their employment must be observed.

ARTICLE XII.—INTERPRETATION OF THIS ORDER.

The rates of pay and rules herein established shall be incorporated into existing agreements and into agreements which may be reached in the future, on the several railroads; and should differences arise between the management and the employees of any of the railroads as to such incorporation, intent, or application of this order prior to the creation of additional railway boards of adjustment, such questions of difference shall be referred to the Director of the Division of Labor for decision, when properly presented, subject always to review by the Director General.

Agreements or practices, except as changed by this order, remain in effect.

W. G. McADOO,
Director General of Railroads.

INTERPRETATION NO. 1 TO SUPPLEMENT NO. 8 TO GENERAL ORDER NO. 27.

WASHINGTON, D. C., November 23, 1918.

OVERTIME MONTHLY, WEEKLY OR DAILY PAID EMPLOYEES.

ARTICLE I.

Eight consecutive hours, exclusive of the meal period, constituting a day's work from the effective date of Supplement No. 8 to General Order No. 27, the increases provided for therein and applicable to monthly, weekly and daily paid employees, specified in Article I, paragraphs (a), (b), (c) and (h), and Article II of Supplement No. 8, are based upon the recognized number of working days constituting a calendar year (including Sundays and or holidays where they have been considered a part of the employee's assignment), and the rates of pay in effect January 1, 1918, prior to the application of General Order No. 27, exclusive of overtime. The following examples illustrate the method to be used in establishing the straight time hourly rate as the basis of payment for overtime service:

Example (a) Employees working thirty days per month on the monthly, weekly or daily basis, at a wage amounting to \$85.00 per month on January 1, 1918, prior to the application of General Order No. 27, would on September 1, 1918, under Supplement No. 8, Article I—(a), automatically advance to the basic rate of \$90.00 per month, plus \$25.00 increase, establishing the rate of

\$115.00 or \$1,380.00 per year. In computing the pro rata rate per hour for overtime pay for monthly, weekly or daily paid employees, take the number of working days constituting a calendar year, multiply by eight and divide the annual salary by the total hours, exclusive of overtime and disregarding time absent on vacations, sick leave, holidays, or for any other cause. In determining the hourly rate, fractions less than one-fourth of one cent shall be as one-fourth of one cent; over one-fourth and under one-half, as one-half cent; over one-half and under three-fourths, as three-fourths; over three-fourths, as one cent.

Example (b) Yearly wage \$1,380.00 ÷ 2,880 hours = 40.97 or 41¢ per hour.

Example (c) Yearly wage \$1,500.00 ÷ 2,880 hours = 52.1 or 52.25¢ per hour.

Example (d) Yearly wage \$1,800.00 ÷ 2,880 hours = 62.5¢ per hour.

Example (e) Yearly wage \$2,100.00 ÷ 2,880 hours = 72.91 or 73¢ per hour.

Example (f) Yearly wage \$2,400.00 ÷ 2,880 hours = \$3.33 or \$3.5¢ per hour.

NOTE.—It is to be understood that 2,880 hours is illustrative only; the hours per year will vary as the assigned work days in a year vary.

ARTICLE II.

On February 21, 1918, the Director General issued General Order No. 8, paragraph 3 thereof reading as follows:

The broad question of wages and hours will be passed upon and reported to the Director General as promptly as possible by the present Railroad Wage Commission. Pending a disposition of these matters by the Director General, all requests of employees involving revision of schedules of general changes in conditions affecting wages and hours will be held in abeyance by both the managers and employees. Wages, when determined upon, will be made retroactive to January 1, 1918, and adjusted accordingly. Matters of controversy arising under interpretations of existing wage agreements and other matters not relating to wages and hours, will take their usual course, and in the event of inability to reach a settlement, will be referred to the Director General.

If employees coming within the scope of Supplement No. 8 to General Order No. 27, were paid a punitive rate for overtime after the regular day's work, Sundays and or holidays prior to February 21, 1918, the same conditions should apply on the eight hour basis. Any punitive overtime rate established for employees under this interpretation since February 21, 1918, except as established by the Director General, is unauthorized and can not be recognized.

Example (a) Employees working ten hours per day January 1, 1918, prior to the applications of General Order No. 27, and who were, prior to February 21, 1918, paid at the rate of time and one-half for overtime, should be paid as follows:

8 a. m. to 12 noon-----	4 hours' work
12 noon to 1 p. m-----	1 hour for meal excluded
1 p. m. to 5 p. m-----	4 hours' work
5 p. m. to 7 p. m-----	2 hours at rate of time and one-half time
Elapsed time-----	11 hours
Time for meal-----	1 hour deducted
Overtime-----	2 hours
Total time to be paid for-----	11 hours

Example (b) Overtime commences immediately following the eighth consecutive hour of continuous service, after deducting the meal period. On the basis of pro rata time for the ninth and the tenth hour.

8 a. m. to 12 noon-----	4 hours' work
12 noon to 1 p. m-----	1 hour for meal excluded
1 p. m. to 5 p. m-----	4 hours' work
5 p. m. to 7 p. m-----	2 hours' overtime, pro rata rate
7 p. m. to 9 p. m-----	2 hours' overtime, $1\frac{1}{2}$ times pro rata rate

Elapsed time-----	13 hours
Time for meal-----	1 hour deducted

Continuous service-----	12 hours
Total time to be paid for-----	13 hours

Example (c) Employees working straight through eight consecutive hours

6 a. m. to 2 p. m-----	8 hours' work
2 p. m. to 4 p. m-----	2 hours' overtime, pro rata rate.
4 p. m. to 6 p. m-----	2 hours' overtime, $1\frac{1}{2}$ times pro rata rate.

Elapsed time -----	12 hours
Continuous service-----	12 hours
Total time to be paid for-----	13 hours

ARTICLE III.—HOURLY RATES.

The employees coming under the provisions of paragraphs (e), (f) and (g) of Article I of Supplement No. 8 to General Order No. 27, who were, on January 1, 1918, prior to the application of General Order No. 27, paid on a basis of ten hours or more to constitute a day, for whom hourly rates have been established, as per the above specified paragraphs, shall, on and after September 1, 1918, the effective date of Supplement No. 8, receive one-eighth of the wages received for ten hours on January 1, 1918, prior to the application of General Order No. 27, as their basic hourly rate, to which shall be added thirteen cents per hour for the employees coming under the provisions of paragraphs (e) and (f), observing the minimum rate; and twelve cents per hour for the employees coming under the provisions of paragraph (g), provided the hourly rate thus obtained shall not exceed the maximum rate of forty cents per hour.

Example (a) Employees coming under the provisions of Article I—(e), on a ten hour basis, rate \$3.75 per day; one-eighth of 375 equals 46.87 or forty-seven cents per hour; adding the increase of thirteen cents per hour produces a rate of sixty cents per hour.

The same method of procedure will apply to the employees coming under the provisions of Article I—(f).

Example (b) Employees coming under the provisions of Article I—(g), on a ten hour basis, rate \$2.35 per day; one-eighth of 235 equals 29.37 or 29.5 cents per hour; adding the increase of twelve cents per hour produces a rate of 41.5 cents per hour, the rate would revert to the maximum of forty cents.

NOTE.—To determine the hourly rate to be paid employees on the hourly basis and for whom ten hours or more were the established hours of service, use the method and examples (a) and (b) of above Article III, for both classes working less than ten hours, and over eight hours, one-eighth of the wage received for the number of hours recognized as a day's work.

ARTICLE IV.—PAY FOR CALLS.

Employees who are notified or called to work outside the eight consecutive hours, exclusive of the meal period and continuous service, constituting their regular assignment, shall be paid a minimum allowance of three hours for two hours work or less; if held over two hours, time and one-half time will paid, computed on the minute basis.

Example (a)

8 a. m. to 12 noon-----	4 hours' work
12 noon to 1 p. m.-----	1 hour for meal excluded
1 p. m. to 5 p. m.-----	4 hours' work
6 p. m. to 7.30 p. m.-----	$1\frac{1}{2}$ hours' overtime, $1\frac{1}{2}$ times pro rata rate.
<hr/>	
Elapsed time-----	11 $\frac{1}{2}$ hours.
Time for meal-----	1 hour
Break in continuous service-----	1 hour
Time for call-----	3 hours, minimum guarantee
Total time to be paid for-----	11 hours

ARTICLE V.

Exclusive of employees whose regular assignment includes Sundays and or holidays, employees notified or called to work on Sundays and or holidays will be paid not less than the minimum allowance of three hours, and where no existing agreement or practice is more favorable, such employees will be paid as per examples (a) and (b) of Article II.

ARTICLE VI.

Payment of overtime at a rate in excess of pro rata, will be computed from and added to the pro rata rate.

ARTICLE VII.

Unless acceptable to a majority of employees in a department or subdivision thereof, the meal period shall not be less than thirty minutes nor more than one hour.

ARTICLE VIII.

Where unjustifiable inequalities develop or exist in the rates of pay for relatively the same service and responsibility, as between employees of the same class within the respective groups, as specified in Supplement No. 8 to General Order No. 27, the Regional Directors are hereby authorized to establish uniform rates of pay by zones or districts throughout their respective regions, under the following conditions:

- (a) The maximum rates established by Supplement No. 8 to General Order No. 27, must not be exceeded (note exception in (d) following).
- (b) Rates established by Supplement No. 8 to General Order No. 27 must not be reduced.
- (c) The specified differentials in the established maximum rates for hourly workers, to be preserved.
- (d) Where differentials in wage rates existed for common labor in favor of tunnel gangs and tunnel and elevated common labor, such differentials should be maintained, but in no case extended to create a greater differential than heretofore existed.
- (e) All rates herein provided for shall be filed by the Regional Directors with the Board of Railroad Wages and Working Conditions.

W. G. McADOO,
Director General of Railroads.

INTERPRETATION NO. 2 TO SUPPLEMENT NO. 8 TO GENERAL ORDER NO. 27.

WASHINGTON, D. C., November 30, 1918.

QUESTION.—It is intended that house and bridge carpenters in the maintenance of way service shall receive the rates of pay and be governed by the conditions specified in Article I, section 6, of Supplement No. 4 to General Order No. 27, under the heading of Carmen?

DECISION.—House and bridge carpenters in the maintenance of way service come under the provision of Supplement No. 8 to General Order No. 27, and their rates of pay are established as per paragraph (e), Article I of Supplement 8.

W. G. McADOO,
Director General of Railroads.

SUPPLEMENT NO. 9 TO GENERAL ORDER NO. 27.

WASHINGTON, October 31, 1918.

In addition to the duties heretofore conferred upon the Board of Railroad Wages and Working Conditions it shall be the duty of the Board to hear and investigate matters presented by the officers and

employees of the American Railway Express Company or their representatives affecting—

- (1) Inequalities as to wages and working conditions whether as to individual employees or classes of employees.
- (2) Conditions arising from competition with employees in other industries.
- (3) Rules and working conditions for the several classes of employees, either for the country as a whole or for different parts of the country.

The Board in the performance of these duties shall, as in the case of railroad employees, be solely an advisory body and shall submit its recommendations to the Director General for his determination.

W. G. McAdoo,
Director General of Railroads.

SUPPLEMENT NO. 10 TO GENERAL ORDER NO. 27.

WASHINGTON, D. C., November 16, 1918.

Effective October 1, 1918, for positions held by Telegraphers, Telephone Operators (except Switchboard Operators), Agent Telegraphers, Agent Telephoners, Towermen, Levermen, Tower and Train Directors, Block Operators and Staffmen, the following rates of pay, rules for overtime, and working conditions upon railroads under Federal control, are hereby ordered, superseding General Order No. 27, and in lieu thereof.

ARTICLE I.

- (a) All employees herein specified shall be paid on the hourly basis.
- (b) To determine the hourly rate for positions held by monthly paid employees, other than those provided for in Paragraph (a), Article VIII, multiply by twelve the regular monthly rate in effect as of January 1, 1918, prior to the application of General Order No. 27 (exclusive of all compensation for extra services) and divide by the number of regularly assigned working days for the year 1918; then divide the daily rate thus obtained by the regularly assigned or established number of hours constituting a day's work, exclusive of the meal hour.
- (c) To determine the hourly rate for positions held by weekly paid employees, other than those provided for in Paragraph (a), Article VIII, multiply by fifty-two the regular weekly rate in effect as of January 1, 1918, prior to the application of General Order No. 27 (exclusive of all compensation for extra services), and divide by the number of regularly assigned working days for the year 1918; then divide the daily rate thus obtained by the regularly assigned or established number of hours constituting a day's work, exclusive of the meal hour.

(d) To determine the hourly rate for positions held by daily paid employees, other than those provided for in Paragraph (a), Article VIII, divide the regular daily rate in effect as of January 1, 1918, prior to the application of General Order No. 27 (exclusive of all compensation for extra services) by the regularly assigned or established number of hours constituting a day's work, exclusive of the meal hour.

(e) Where there are no regularly assigned or established daily hours, for the purpose of computing the hourly rate, ten hours shall be used as the divisor.

(f) In determining the hourly rate, fractions less than one-fourth of one cent shall be as one-fourth of one cent; over one-fourth and under one-half, as one-half cent; over one-half and under three-fourths, as three-fourths of one cent; over three-fourths, as one cent.

Method of obtaining hourly rate as of January 1, 1918.

MONTHLY.

Examples:

I. $\$100 \times 12 = \1200 , divided by 307 days = $\$3.9087$, divided by 8 equals $48.86\frac{1}{2}$
Hourly rate $49\frac{1}{2}\frac{1}{2}$

II. $\$100 \times 12 = \1200 , divided by 312 days = $\$3.8461$, divided by 9 equals $42.73\frac{1}{2}$
Hourly rate $42.75\frac{1}{2}\frac{1}{2}$

III. $\$100 \times 12 = \1200 , divided by 365 days = $\$3.2876$, divided by 10 equals $32.88\frac{1}{2}$
Hourly rate $33\frac{1}{2}\frac{1}{2}$

WEEKLY.

Examples:

IV. $\$20 \times 52$ equals $\$1040$, divided by 312 days equals $\$3.3333$, divided by 8 equals $41.66\frac{1}{2}$ Hourly rate $41.75\frac{1}{2}\frac{1}{2}$

V. $\$20 \times 52$ equals $\$1040$ divided by 365 days equals $\$2.8493$, divided by 10 equals $28.49\frac{1}{2}$ Hourly rate $28.5\frac{1}{2}\frac{1}{2}$

DAILY.

VI. $\$3.00$ per day divided by 8 equals $37.50\frac{1}{2}$ Hourly rate $37.5\frac{1}{2}\frac{1}{2}$

$\$3.00$ per day divided by 9 equals $33.33\frac{1}{2}$ Hourly rate $33.35\frac{1}{2}\frac{1}{2}$

$\$3.00$ per day divided by 10 equals $30.00\frac{1}{2}$ Hourly rate $30\frac{1}{2}\frac{1}{2}$

ARTICLE II.—RATES OF PAY.

For positions held by Telegraphers, Telephone Operators (except switchboard operators), Agent Telegraphers, Agent Telephoners, Towermen, Levermen, Tower and Train Directors, Block Operators and Staffmen, who were on January 1, 1918, prior to the application of General Order No. 27, receiving less than $35\frac{1}{2}$ ¢ per hour, establish a basic minimum rate of $35\frac{1}{2}$ ¢ per hour, and to this basic minimum rate and all hourly rates of $35\frac{1}{2}$ ¢ and above, add $13\frac{1}{2}$ ¢ per hour, establishing a basic minimum rate of $48\frac{1}{2}$ ¢ per hour.

ARTICLE III.—PRESERVATION OF RATES AND CLASSIFICATION.

(a) The minimum rates and all rates in excess thereof, as herein established, and higher rates which have been authorized since January 1, 1918, except by General Order No. 27, shall be preserved.

(b) The entering of employees in the positions occupied in the service or changing their classification or work shall not operate to establish a less favorable rate of pay or condition of employment than is herein established.

(c) Where existing pay roll classification does not conform to Article II, employees performing service in the classes specified therein, shall be classified in accordance therewith.

ARTICLE IV.—EXCEPTION.

The provisions of this order will not apply in any case where amounts less than \$30 per month are paid to individuals for special service which only takes a portion of their time from outside employment or business.

ARTICLE V.—HOURS OF SERVICE—OVERTIME AND CALLS.

(a) Eight consecutive hours, exclusive of the meal hour, shall constitute a day's work, except that where two or more shifts are worked, eight consecutive hours with no allowance for meals shall constitute a day's work.

(b) Overtime shall be computed at the rate of time and one-half time. Even hours shall be paid for at the end of each pay period, fractions thereof will be carried forward.

(c) When notified or called to work outside of established hours, employees will be paid a minimum allowance of two hours at overtime rate.

(d) Employees will not be required to suspend work during regular hours or to absorb overtime.

ARTICLE VI.—UNITED STATES MAIL.

When the carrying of United States Mail and Parcel Post by the employees herein specified becomes unduly burdensome or interferes with the proper operation of trains, they will be relieved from such work.

ARTICLE VII.—DISCIPLINE AND GRIEVANCES.

(a) An employee disciplined, or who considers himself unjustly treated, shall have a fair and impartial hearing, provided written request is presented to his immediate superior within five (5) days of the date of the advice of discipline, and the hearing shall be granted within five (5) days thereafter.

(b) A decision will be rendered within seven (7) days after completion of hearing. If an appeal is taken, it must be filed with the next higher official and a copy furnished the official whose decision is appealed within five (5) days after date of decision. The hearing

and decision on the appeal shall be governed by the time limits of the preceding section.

(c) At the hearing, or on the appeal, the employees may be assisted by a committee of employees, or by one or more duly accredited representatives.

(d) The right of appeal by employees or representatives, in regular order of succession and in the manner prescribed, up to and inclusive of the highest official designated by the railroad to whom appeals may be made is hereby established.

(e) An employee on request will be given a letter stating the cause of discipline. A transcript of the evidence taken at the investigation or on the appeal will be furnished on request to the employee or representative.

(f) If the final decision decrees that charges against the employee were not sustained, the record shall be cleared of the charge; if suspended or dismissed the employee will be returned to former position and paid for all time lost.

(g) Committees of employees shall be granted leave of absence and free transportation for the adjustment of differences between the railroad and the employees.

ARTICLE VIII.—RULES FOR APPLICATION OF THIS ORDER.

(a) The foregoing basis will not be applied to positions where the compensation as of January 1, 1918, was upon a commission basis, or upon a combination of salary and commission (not including express or outside commissions). The Board of Railroad Wages and Working Conditions will consider and make individual recommendations as to the correct salary for such positions when presented to it in the manner prescribed in Supplements No. 6 and No. 6-A to General Order No. 27.

(b) The pay for female employees, for the same class of work, shall be the same as that of men, and their working conditions must be healthful and fitted to their needs. The laws enacted for the government of their employment must be observed.

(c) Vacations with pay are abolished, effective January 1, 1919.

ARTICLE IX.—INTERPRETATION OF THIS ORDER.

The rates of pay and rules herein established shall be incorporated into existing agreements and into agreements which may be reached in the future on the several railroads; and should differences arise between the management and the employees of any of the railroads as to such incorporation, intent, or application of this order prior to the creation of additional railway boards of adjustment, such question of differences shall be referred to the Director of the Division

of Labor for decision, when properly presented, subject always to review by the Director General.

Agreements or practices, except as changed by this order, remain in effect.

W. G. McADOO,
Director General of Railroads.

SUPPLEMENT NO. 11 TO GENERAL ORDER NO. 27.

WASHINGTON, November 23, 1918.

Effective October 1, 1918, superseding General Order No. 27, and in lieu thereof as to the employees herein named, the following rates of pay, rules for overtime, and working conditions upon railroads under Federal control are hereby ordered:

ARTICLE I.—RATES OF PAY.

For agents, except as provided for in Article IV, whose regular assignment does not require the sending or receiving of railroad train orders or messages by telephone or telegraph, establish a basic minimum rate of seventy (\$70.00) dollars per month, and to this basic minimum rate and all rates of seventy (\$70.00) dollars and above, in effect as of January 1, 1918, prior to the application of General Order No. 27, add twenty-five (\$25.00) dollars per month, establishing a minimum rate of ninety-five (\$95.00) dollars per month.

ARTICLE II.—MAXIMUM MONTHLY WAGE.

No part of the increases provided for in this order shall be applied to establish a salary in excess of two hundred and fifty (\$250.00) dollars per month.

ARTICLE III.—PRESERVATION OF RATES.

(a) The minimum rates and all rates in excess thereof as herein established, and higher rates which have been authorized since January 1, 1918, except by General Order No. 27, shall be preserved.

(b) Employees temporarily or permanently assigned to higher rated positions shall receive the higher rates while occupying such positions; employees temporarily assigned to lower rated positions shall not have their rates reduced.

ARTICLE IV.—EXCEPTIONS.

(a) The provisions of this order will not apply in cases where amounts less than thirty (\$30.00) dollars per month are paid to individuals for special service which only takes a portion of their time from outside employment or business.

(b) For agents (except those provided for in Article I and in Section A, Article IV) whose compensation as of January 1, 1918,

was upon a commission basis, or upon a combination of salary and commission (not including express or outside commission), and for agents at the smaller stations where the salary as of January 1, 1918, prior to the application of General Order No. 27, was \$50.00 per month or less, add \$25.00 per month to the rates in effect January 1, 1918, prior to the application of General Order No. 27.

ARTICLE V.—HOURS OF SERVICE.

Eight (8) consecutive hours exclusive of the meal period shall constitute a day's work.

ARTICLE VI.—OVERTIME AND CALLS.

(a) Where there is no existing agreement or practice more favorable to the employees, overtime shall be computed for the ninth and tenth hour of continuous service pro rata on the actual minute basis, and thereafter at the rate of time and one-half time. Even hours will be paid for at the end of each pay period. Fractions thereof will be carried forward.

(b) Employees who are notified or called to work outside the eight consecutive hours, exclusive of the meal period and continuous service, constituting their regular assignment, shall be paid a minimum allowance of three hours for two hours work or less; if held over two hours, time and one-half time will be paid, computed on the minute basis.

(c) Exclusive of employees whose regular assignment includes Sundays and or holidays, employees notified or called to work on Sundays and or holidays, will be paid not less than the minimum allowance of three hours, and where no existing agreement or practice is more favorable, such employees will be paid at their regular rates.

(d) Employees will not be required to suspend work during regular hours to absorb overtime.

ARTICLE VII.—DISCIPLINE AND GRIEVANCES.

(a) An employee disciplined, or who considers himself unjustly treated, shall have a fair and impartial hearing, provided written request is presented to his immediate superior within five (5) days of the date of the advice of discipline, and the hearing shall be granted within five (5) days thereafter.

(b) A decision will be rendered within seven (7) days after completion of hearing. If an appeal is taken, it must be filed with the next higher official and a copy furnished the official whose decision is appealed within five (5) days after date of decision. The hearing and decision on the appeal shall be governed by the time limits of the preceding section.

(c) At the hearing, or on the appeal, the employees may be assisted by a committee of employees, or by one or more duly accredited representatives.

(d) The right of appeal by employees or representatives, in regular order of succession and in the manner prescribed, up to and inclusive of the highest official designated by the railroad to whom appeals may be made is hereby established.

(e) An employee on request will be given a letter stating the cause of discipline. A transcript of the evidence taken at the investigation or on the appeal will be furnished on request to the employee or representative.

(f) If the final decision decrees that charges against employee were not sustained, the record shall be cleared of the charge; if suspended or dismissed the employee will be returned to former position and paid for all time lost.

(g) Committees of employees shall be granted leave of absence and free transportation for the adjustment of differences between the railroad and the employees.

ARTICLE VIII.—RULES FOR APPLICATION OF THIS ORDER.

(a) It is not the intention of this order to change the number of days per month for monthly paid employees. The increase per month provided for herein shall apply to the same number of days per month which were worked as of January 1, 1918.

(b) The pay of female employees, for the same class of work, shall be the same as that of men, and their working conditions must be healthful and fitted to their needs. The laws enacted for the government of their employment must be observed.

ARTICLE IX.—INTERPRETATION OF THIS ORDER.

The rates of pay and rules herein established shall be incorporated into existing agreements and into agreements which may be reached in the future, on the several railroads; and should differences arise between the management and the employees of any of the railroads as to such incorporation, intent, or application of this order, prior to the creation of additional railway boards of adjustment, such questions of differences shall be referred to the Director of the Division of Labor for decision, when properly presented, subject always to review by the Director General.

Agreements or practices, except as changed by this order, remain in effect.

W. G. McAdoo,
Director General of Railroads.

SUPPLEMENT NO. 12 TO GENERAL ORDER NO. 27.

WASHINGTON, D. C., December 2, 1918.

To carry out the intent of Article VI, of General Order No. 27, and retroactive to June 1, 1918, it is ordered:

1. Employees in a passenger train crew, except conductor, collector, and baggagemaster, qualified and regularly required to perform the following essential duties, will be designated as passenger brakemen or flagmen and paid accordingly:

(a) Inspect cars and test signal and brake apparatus for the safety of train movement.

(b) Use hand and lamp signals for the protection and movement of trains.

(c) Open and close switches.

(d) Couple and uncouple cars and engines and the hose and chain attachments thereof.

(e) Compare watches when required by rule.

2. Where white brakemen are not employed, the compensation and overtime rule for colored brakemen shall be the same, for both passenger and freight service, as for the same positions on the minimum paid contiguous road.

3. This order shall not curtail the duties of employees heretofore classed as "train porters."

4. This order shall not infringe upon the seniority rights of white trainmen.

W. G. McADOO,
Director General of Railroads.

SUPPLEMENT NO. 13 TO GENERAL ORDER NO. 27.

Superseding Supplements Nos. 10 and 11 to General Order No. 27.

WASHINGTON, December 28, 1918.

Effective October 1, 1918, for positions held by telegraphers, telephone operators (except switchboard operators), agents, agent telegraphers, agent telephoners, towermen, levermen, tower and train directors, block operators and staffmen, the following rates of pay, rules for overtime, and working conditions upon railroads under Federal control, are hereby ordered, superseding General Order No. 27, its Supplements Nos. 10 and 11, and in lieu thereof.

ARTICLE I.

(a) All employees herein specified shall be paid on the hourly basis except those provided for in Article IV.

(b) To determine the hourly basis for positions held by monthly paid employees, multiply by 12 the regular monthly rate in effect as

of January 1, 1918, prior to the application of General Order No. 27 (exclusive of all compensation for extra services), divide by 306 (number of working days for the year), and apply provisions of section (e) of this article.

(c) To determine the hourly rate for positions held by weekly paid employees, multiply by 52 the regular weekly rate in effect as of January 1, 1918, prior to the application of General Order No. 27 (exclusive of all compensation for extra services), divide by 306 (number of working days for the year), and apply provisions of section (e) of this article.

(d) To determine the hourly rate for positions held by daily paid employees, multiply the daily rate in effect as of January 1, 1918, prior to the application of General Order No. 27 (exclusive of all compensation for extra services), by 365, divide the result by 306 (number of working days for the year), and applying provisions of (number of working days for the year), and apply provisions of section (e) of this article.

(e) Employees who were on January 1, 1918, prior to the application of General Order No. 27, paid on a basis of 10 hours or more to constitute a day's work, shall receive one-eighth of the wages received for 10 hours on January 1, 1918, prior to the application of General Order No. 27, as their basic hourly rate; employees working less than 10 hours and over 8 hours shall receive one-eighth of the wages received for the number of hours recognized as a day's work.

(f) Where there are no regularly assigned or established daily hours for the purpose of computing the hourly rate, daily hours shall be regarded as 10, one-eighth of which will be the hourly rate.

(g) In determining the hourly rate, fractions less than one-fourth of one cent shall be as one-fourth of one cent; over one-fourth and under one-half, as one-half cent; over one-half and under three-fourths, as three-fourths of one cent; over three-fourths, as one cent.

ARTICLE II.

RATES OF PAY.

For positions held by telegraphers, telephone operators (except switchboard operators), agents (except as provided in Article IV), agent telegraphers, agent telephoners, towermen, levermen, tower and train directors, block operators and staffmen, to the rates in effect on January 1, 1918, prior to the application of General Order No. 27 add 13 cents per hour and 2 cents per hour additional in lieu of vacations (applicable to all roads irrespective of present practice). Where this increase fails to establish a rate of 48 cents per hour, establish a minimum rate of 48 cents per hour.

ARTICLE III.

PRESERVATION OF RATES AND CLASSIFICATION.

- (a) The minimum rates and all rates in excess thereof, as herein established, and higher rates which have been authorized since January 1, 1918, shall be preserved.
- (b) The entering of employees in the positions occupied in the service or changing their classification or work shall not operate to establish a less favorable rate of pay or condition of employment than is herein established.

(c) Where existing pay roll classification does not conform to Article II, employees performing service in the classes specified therein shall be classified in accordance therewith.

ARTICLE IV.

EXCEPTIONS.

The provisions of this order will not apply:

- (a) To cases where salaries less than thirty (\$30) dollars per month are paid to individuals for special service which only takes a portion of their time from outside employment or business.
- (b) To agents whose compensation as of January 1, 1918, was upon a commission basis or upon a combination of salary and commissions (not including express or outside commissions).
- (c) To agents whose duties are supervisory and who do not perform routine office work, nor the small nontelegraph stations (except where they are now included in agreements) which, on account of the varying character and extent of their work and responsibilities, can not be intelligently treated as a class.

The Federal Manager on each railroad is hereby instructed to consider the individual cases of the smaller nontelegraph stations, or stations paid on a commission basis or on a combination of salary and commission, both as to compensation and working conditions, with committees of employees, and where agreement can be reached are authorized to put the same into effect.

In case of disagreement, either as to compensation and or working conditions, or as to whether a station comes properly under the terms of this article, the exact points of such disagreement shall be reported to the Board of Railroad Wages and Working Conditions through the Regional Director for consideration and recommendation to me.

ARTICLE V.

HOURS OF SERVICE—OVERTIME AND CALLS.

- (a) Eight consecutive hours, exclusive of the meal hour, shall constitute a day's work, except that where two or more shifts are

worked eight consecutive hours with no allowance for meals shall constitute a day's work.

(b) Overtime shall be computed at the rate of time and one-half time. Even hours shall be paid for at the end of each pay period, fractions thereof will be carried forward.

(c) When notified or called to work outside of established hours, employees will be paid a minimum allowance of two hours at overtime rate.

(d) Employees will not be required to suspend work during regular hours or to absorb overtime.

ARTICLE VI.

UNITED STATES MAIL.

When the carrying of United States mail and parcel post by the employees herein specified becomes unduly burdensome or interferes with the proper operation of trains, they will be relieved from such work.

ARTICLE VII.

DISCIPLINE AND GRIEVANCES.

(a) An employee disciplined, or who considers himself unjustly treated, shall have a fair and impartial hearing, provided written request is presented to his immediate superior within five (5) days of the date of the advice of discipline, and the hearing shall be granted within five (5) days thereafter.

(b) A decision will be rendered within seven (7) days after completion of hearing. If an appeal is taken, it must be filed with the next higher official and a copy furnished the official whose decision is appealed within five (5) days after date of decision. The hearing and decision on the appeal shall be governed by the time limits of the preceding section.

(c) At the hearing, or on the appeal, the employees may be assisted by a committee of employees, or by one or more duly accredited representatives.

(d) The right of appeal by employees or representatives, in regular order of succession and in the manner prescribed, up to and inclusive of the highest official designated by the railroad to whom appeals may be made is hereby established.

(e) An employee on request will be given a letter stating the cause of discipline. A transcript of the evidence taken at the investigation or on the appeal will be furnished on request to the employee or representative.

(f) If the final decision decrees that charges against the employee were not sustained, the record shall be cleared of the charge; if sus-

pended or dismissed, the employee will be returned to former position and paid for all time lost.

(g) Committees of employees shall be granted leave of absence and free transportation for the adjustment of differences between the railroad and the employees.

(h) Where the time limits in discipline and grievance rules now in effect are more extensive they may be preserved.

ARTICLE VIII.

RULES FOR APPLICATION OF THIS ORDER.

(a) The pay for female employees, for the same class of work, shall be the same as that of men, and their working conditions must be healthful and fitted to their needs. The laws enacted for the government of their employment must be observed.

(b) If the operation of this order creates either unreasonably low, or excessively high rates, for service, individual cases and circumstances considered, it will be the duty of the Board of Railroad Wages and Working Conditions to investigate, on complaint, and recommend equitable treatment therefor.

(c) Vacations with pay are abolished, effective January 1, 1919.

ARTICLE IX.

INTERPRETATION OF THIS ORDER.

The rates of pay and rules herein established shall be incorporated into existing agreements and into agreements which may be reached in the future, on the several railroads; and should differences arise between the management and the employees of any of the railroads as to such incorporation, intent, or application of this order, such question of differences shall be referred through the Director of the Division of Labor as prescribed in Supplements 6 and 6a to General Order No. 27 for decision, subject always to review by the Director General.

Agreements or practices, except as changed by this order, remain in effect.

In reaching the conclusions upon which this order is based, I have given special consideration to the problem presented of work on Sundays and holidays. I am in full sympathy, as every reasonable man must be, with the natural desire of the employees to be released from Sunday and holiday labor as far as possible. Not only are employees the better for such periods of rest and recreation, but they naturally prefer for that purpose Sundays and holidays, because all the habits of our people are so adjusted that rest and

recreation are more feasible and satisfactory on those days than on other days.

I am satisfied that in the past there has been a great deal of unnecessary work on Sundays and holidays, and that methods can and must be adopted to confine such work in the future to what is necessary. At the same time we must face the fact that the entire public expects the railroads to be operated on Sundays and holidays, as well as on other days; hence it is impossible to adopt any plan which will eliminate Sunday and holiday labor.

This order which I am promulgating will, in itself, go far towards eliminating Sunday and holiday work wherever practicable, and towards reducing such work where it can not be eliminated to the fewest number of hours. This will result from the fact that hereafter all such work will be paid on an hourly basis instead of on a monthly basis, as has been true in the past to a considerable extent. Therefore, the employing officer will realize that he must pay additionally for every hour of Sunday and holiday work, and his anxiety to prevent unnecessary expense will be a strong inducement to eliminate unnecessary work on those days. I regard this as a great step forward, and I believe I am justified in expecting that it will bring about a marked reduction in Sunday and holiday work of an avoidable character.

I propose to supplement this action by definite orders that a special study must be made for the purpose of eliminating Sunday and holiday work wherever practicable and, where it can not be eliminated, of minimizing it to the fewest number of hours. I believe the special effort which will consequently be made in this direction will, coupled with the strong inducement arising from the new basis of payment, bring about an early and substantial reform in this important matter.

Employees who have heretofore had to work on Sundays and holidays will get through this order a direct compensation for that condition, by reason of the fact that their hourly rates of pay in the future will be, to a large extent, substantially increased, as, from an examination of Article I, it will be seen that in determining the hourly wage a divisor of 306 days has been used, which will, in a large measure, compensate for punitive Sunday and holiday overtime.

It has not been practicable to adopt a plan for paying a punitive overtime rate for time worked on Sundays and holidays. The object for such punitive allowances is to impose a penalty or punishment for the work to which the allowances attach. In the nature of things, it is unjustifiable to impose such punishment in respect of work which can not be avoided. Such punitive allowance is not necessary to cause the elimination of such work, or its reduction to a

minimum, because that result can and will be brought about by the adoption of the hourly rates and special instructions which will be issued to reduce Sunday and holiday work, where practicable.

W. G. McADOO,
Director General of Railroads.

INTERPRETATION No. 1 OF GENERAL ORDER No. 27.

WASHINGTON, June 14, 1918.

The following recommendation of Railroad Board of Adjustment No. 1, in the matter of construction of General Order No. 27, relating to the bases of pay for yard engineers, yard firemen, yard conductors or foremen, and yard brakemen or helpers, is approved and will be observed in the application of rates of pay under said order:

Referring to your letter of this date transmitting a communication from the chief executives of the four organizations, asking for a construction of General Order No. 27, in so far as this order relates to the bases of pay for yard engineers, yard firemen, yard conductors or foremen, and yard brakemen or helpers.

As these four classes of employees had a guaranteed minimum day's pay, irrespective of how expressed in schedules, it is the judgment of this board that the increases granted by General Order No. 27 should be applied to such employees upon the guaranteed minimum day's pay of December, 1915, in view of paragraph 8, section F, article 2, of that order, which reads as follows:

"Reductions in hours between December 31, 1915, and January 1, 1918, are not to be regarded as increases in pay."

The increases for these classes of employees should, therefore, be computed upon the table given in section B of article 2 of General Order No. 27, and it is recommended that it be so ordered.

W. G. McADOO,
Director General of Railroads.

INTERPRETATION No. 2 OF GENERAL ORDER No. 27.

WASHINGTON, June 14, 1918.

The following bases will be observed in the application of rates of pay under General Order No. 27:

All persons employed in any capacity, and receiving less than \$250 per month in salary, will receive the increases named in the Director General's General Order No. 27, unless specifically excluded therein.

PASSENGER SERVICE.

All conductors, baggagemen, flagmen, and brakemen paid on the mileage basis and performing more than the minimum daily mileage will be paid under the provisions of section E, article 2.

All conductors, assistant conductors, ticket collectors, baggagemen, flagmen, and brakemen paid under the monthly guarantee of the eastern and southeastern territory will be paid under the provisions of section A, article 2, and the daily rate will be one-thirtieth of the monthly rate.

All conductors, baggagemen, flagmen, and brakemen paid on the monthly basis will be paid under the provisions of section A, article 2.

LOCAL FREIGHT SERVICE.

All conductors, engineers, firemen, flagmen, and brakemen paid on the mileage basis will be paid under the provisions of section E, article 2.

Local freight conductors, engineers, firemen, flagmen, and brakemen paid on the monthly basis will be paid under the provisions of section A, article 2.

THROUGH FREIGHT SERVICE.

Conductors, engineers, firemen, flagmen, and brakemen paid on the mileage basis will be paid under the provisions of section E, article 2.

Conductors, engineers, firemen, flagmen, and brakemen paid on the monthly basis will be paid under the provisions of section A, article 2.

WORK TRAINS.

Conductors, engineers, firemen, flagmen, and brakemen paid on the mileage basis will be paid under the provisions of section E, article 2.

Conductors, engineers, firemen, flagmen, and brakemen paid on the monthly basis will be paid under the provisions of section A, article 2.

SPECIFIED TRIP RATES.

In passenger, through freight, or local freight the increases in trip rates shall take the percentages applicable to each class of service respectively.

SPECIAL ALLOWANCES.

All arbitrary or special allowances, previously paid on the hourly basis, will be paid at the new hourly rate.

Arbitraries or special allowances, previously paid on the basis of mileage, will be paid on the new mileage rates.

If the schedule amount bears no relation to miles or hours, such arbitrary or special allowances will be increased in accordance with the percentage shown under section E, article 2.

Engines which have come into the service since 1915, on which rates have been applied—for the purpose of computation under Gen-

eral Order No. 27—consider such rates as being applicable December 31, 1915, and apply appropriate increases from January, 1918.

The negotiated rate since the arbitration of the engineers and firemen in the East and West, for transfer service—for example, the \$4.50 rate for engineers and the \$3 rates for firemen in the western territory shall be increased under section B of article 2. Where through freight rates apply to transfer service the increases under section E, article 2, will apply.

Where the guaranteed daily minimum is an arbitrary rate, and is not based on hours or miles, engineers and firemen will be paid the rate under the provisions of section B, article 2. Where the guaranteed minimum is based on mileage engineers and firemen shall be paid the rate under the provisions of section E, article 2.

HOSTLERS.

The rates in section B, article 2, shall apply to hostlers, based upon rates in effect December, 1915.

W. G. McADOO,
Director General of Railroads.

INTERPRETATION NO. 3 TO GENERAL ORDER NO. 27, AND TO SUPPLEMENT NO. 4, ADDENDA NOS. 1 AND 2, INTERPRETATION NO. 1 AND AMENDMENT NO. 1 THERETO.

WASHINGTON, D. C., September 26, 1918.

METHOD OF APPLYING INCREASES TO PIECEWORKERS.

ARTICLE I.

(a) The increases provided for in General Order No. 27 apply to each hour worked and not to piecework prices per item or operation.

(b) Overtime hours, prior to August 1, 1918, will be paid for at the rate in effect as of December 31, 1917, and up to and including July 31, 1918; from August 1, 1918, at the rate of one and one-half times the average straight-time hourly piecework earnings for the current pay period, provided that the straight-time piecework earnings plus one-half additional, equals the guaranteed minimum at the hourly rate of one and one-half time.

(c) Any increase in wages due to increased rates of compensation granted between January 1, 1916, and December 31, 1917, shall be deducted from the amount of increase provided for in General Order No. 27, but in no case shall such deduction operate to reduce earnings based on rates in effect as of December 31, 1917.

(d) In the absence of established standard hourly rates for any one or more of the seven classifications designated in Supplement No. 4,

the going rate in each craft in accordance with the classification existing prior to the application of Supplement No. 4 for mechanics or helpers at each point on each of the several railroads shall be used as the base rate to which will be added the increases provided for in Section C, Article II, General Order No. 27.

(e) *Example 1.*—Assume that in Yard B, 75 wood freight car builders or repairers are employed, the base hourly rates in December, 1915, were:

- 15 at 32 cents per hour.
- 31 at 33 cents per hour.
- 17 at 34½ cents per hour.
- 12 at 36 cents per hour.

Thirty-three (33) cents thus becomes the going rate for the basis of computing the hourly increase for all wood freight-car builders or repairers in Yard B. General Order No. 27, Article II, Section C, using the going rate of 33 cents, establishes a rate of 46.75, or 13.75 cents increase over the December, 1915, hourly rate. Between January 1, 1916, and December 31, 1917, increases amounting to 9 cents per hour had been put into effect. The net increase established by General Order No. 27 is therefore 4.75 cents per hour to hourly workers, and represents the total increase per hour to pieceworkers of the same class in Yard B. The same method of procedure will apply to each of the respective groups of employees, such as upholsterers, coach carpenters, cabinetmakers, passenger or freight steel car body builders or repairers, truck builders or repairers, coach painters, locomotive painters, locomotive carpenters, molders, core-makers, electricians, signal men and signal maintainers, tinnery, pipe fitters, coppersmiths, sheet-metal workers, and all men classified and used as helpers.

(f) Where piecework rates or pieceworkers received no increase between January 1, 1916, and December 31, 1917, it is evident that the average earning rate was sufficiently in excess of the hourly rate to cover any increases that may have been granted hourly workers. In determining the increase to such pieceworkers, they shall receive the same increase per hour as accrues to the hourly worker under General Order No. 27, illustrated herein by example 1, paragraph (e).

(g) The application of increases to machinists, boilermakers, and blacksmiths, who are on the piecework basis, shall be as above outlined (see example 2), except where the establishment of the minimum rate of 55 cents per hour is less than the increase provided for in Section C, Article II, General Order No. 27, in which case the greater increase will apply. (See example 3.)

(h) *Example 2.*—In December, 1915, machinists in Shop C were paid a going rate of 35 cents per hour. Section C, Article II, General Order No. 27, establishes a rate of 49.50 cents per hour. This

would automatically go to the minimum rate of 55 cents per hour, or 20 cents increase over the December, 1915, hourly rate. Between January 1, 1916, and December 31, 1917, increases amounting to 9 cents per hour had been put into effect. The net increase established by General Order No. 27 is therefore 11 cents per hour to hourly workers and represents the total increase per hour to the machinists on piecework in Shop C.

(i) *Example 3.*—In December, 1915, machinists in Shop D were paid a going rate of 42 cents per hour. The new rate provided for in Section C, Article II, of General Order No. 27, is 58.25 cents per hour, making an increase of 16.25 cents per hour over the December, 1915, hourly rate. Between January 1, 1916, and December 31, 1917, increases amounting to 9 cents per hour had been put into effect. The net increases established by General Order No. 27 is therefore 7.25 cents per hour to hourly workers and represents the total increase per hour to the machinists on piecework in Shop D.

(j) If the increases for pieceworkers under General Order No. 27, added to their average hourly straight time piecework earnings, by pay period, do not equal the minimum hourly rates established for hourly workers of the same class, the back pay due such pieceworkers, by pay periods, January 1, 1918, to July 31, 1918, inclusive, will be computed on the basis of the minimum hourly rates applicable to the respective classes, as per Supplement No. 4.

(k) *Example 4.*—Pieceworker E, guaranteed a 58 cent minimum hourly rate by Supplement 4, worked 208 straight time hours in March, 1918; his average piecework earnings for this pay period were 55 cents per hour, including the increase under General Order No. 27. Pieceworker E therefore receives the minimum rate of 58 cents per hour for the March pay period.

(l) *Example 5.*—Pieceworker F, guaranteed a 58 cent minimum hourly rate by Supplement 4, worked 208 straight time hours in March, 1918; his average piecework earnings for this pay period equals 60 cents per hour, including the increase under General Order No. 27. Pieceworker F, having exceeded the minimum rate of 58 cents per hour for the March pay period, receives back pay at the 60 cent rate.

(m) *Example 6.*—Pieceworker G, guaranteed a 58 cent minimum hourly rate by Supplement 4, worked a total of 268 hours in August, 1918, divided as follows: 50 straight time hours on hourly work at 58 cent rate, 158 straight time hours on piecework, average earnings per hour 65 cents, 20 hours' overtime on hourly work at the rate of one and one-half time, or 58 plus 29, equaling 87 cents per hour, and 40 hours' overtime on piecework, or 65 plus 32.50, equaling 97.50 cents per hour (as per Art. II, Sec. A) the total earnings for the August pay period are as follows:

50 hours at 58¢ per hour	\$29.00
158 " " 65¢ " "	102.70
20 " " 87¢ " "	17.40
40 " " 97.50¢ " "	39.00
Total.....	188.10

GENERAL APPLICATION OF INCREASES SUPPLEMENT 4 TO GENERAL ORDER 27.

ARTICLE II.

(a) The increases provided for in Supplement No. 4 to General Order No. 27 apply only to hourly, daily, weekly, or monthly rates, with the proviso that in no case shall a pieceworker be compensated for service rendered from January 1, 1918, to July 31, 1918, or thereafter, at a less rate per hour, for each straight time hour worked, than the minimum rate established for the hourly worker as per the respective classifications. Effective August 1, 1918, the one and one-half time rate for overtime applies to pieceworkers as well as to hourly rated employees.

(b) Increases provided for in General Order No. 27 for hourly, daily, weekly, and monthly paid employees, were canceled with the issuance of Supplement No. 4, and in no manner refer to or affect the increases provided for in Supplement No. 4 to General Order No. 27.

(c) The hours of service and overtime provisions of Supplement 4, Article IV, Section 2, do not apply to supervisory forces on monthly salary, referred to in Supplement 4, Article III, Section 5.

(d) Monthly supervisory forces specified in Supplement 4, Article III, Section 5, assigned to inspect new equipment under construction by contract, shall receive the salary increase of Forty (\$40) dollars per month.

(e) Excepting salaried supervisory forces and coach cleaners, employees coming within the classifications specified in Supplement No. 4 to General Order No. 27, shall be paid for overtime as provided in Section 2, Article IV of Supplement No. 4.

(f) Employees voluntarily leaving the service.—The amount accruing under the provisions of Supplement 4 to General Order No. 27 will not accrue to those employees who left the service voluntarily to accept or secure employment at some other point on the same railroad or on another railroad, or elsewhere, because remaining in the service at the point employed, unless transferred, was the consideration upon which the promise to make the increases effective as of January 1, 1918, was based.

ARTICLE III.

RATES BASED UPON YEARS OF EXPERIENCE.

Supplement No. 4, Article II, Sections 2, 2-A, and 2-B.

(a) Employees performing work recognized as mechanics' work in the respective trades, who, by agreement with duly authorized committees representing the craft or crafts, have had their rates leveled up to that of the mechanic, shall receive the mechanics' rate as per Article II, Sections 1 and 1-A; otherwise Article II, Sections 2, 2-A and 2-B will apply. The period of experience on mechanics' work, in the trade employed, shall be cumulative.

Example 7.—Employee H worked:

12 months on machinists work for railroad C.
6 " " " " in navy yards D.
12 " " " " in manufacturing plant E.
18 " " " " for railroad by whom now employed.

Total, 4 years.

Such employees should be paid the machinists' rate.

(b) Nothing in the above section shall be construed to mean that mechanics of the respective trades who have qualified as such in other industries, shall be paid less than the minimum rates specified in Article II, Sections 1 and 1-A of Supplement No. 4, upon entering railroad service.

ARTICLE IV.

EXPENSE ALLOWANCE.

Sections 4 and 5, Article IV, Sup. No. 4 to General Order No. 27.

The allowance for expenses provided for in Section 4, Supplement No. 4 to General Order No. 27, is the same as shown in Section 5, and is at the rate of \$2.00 per day for three meals and lodging; 50 cents per meal, 50 cents for lodging. It is not intended to make this feature retroactive prior to August 1, 1918.

ARTICLE V.

SUPERVISORY FORCES.

Section 4, Article III, Supplement 4 to General Order 27.

This section applies to minor supervisory forces who are held responsible for the work of their gang, have been so recognized, and who shall receive 5 cents per hour in excess of the minimum hourly rate established for the craft.

ARTICLE VI.

WHEEL SHOP EMPLOYEES.

General Order 27, Supplement 4, Article I, Section 1 and 1-B.

(a) Employees boring and turning wheels, and turning axles in wheel shop, are classified as machinists by Section 1, Article I of Supplement No. 4 to General Order No. 27.

(b) Employees pressing on and off wheels are classified as machinists' helpers by Section 1-B, Article I of Supplement No. 4 to General Order No. 27, and receive an increase of 13 cents per hour over rate in effect January 1, 1918, prior to application of General Order No. 27, with a minimum guaranteed rate of 45 cents per hour.

ARTICLE VII.

FLUE WORK.

Supplement No. 4, Article I, Section 2 and 2-B.

(a) Flue work, boiler department, includes flue welders under boiler foremen.

(b) Heaters and helpers assisting welders shall be classed as boiler-maker helpers.

ARTICLE VIII.

RIVET HEATERS.

(a) Include rivet heaters in Supplement No. 4, Article I, Section 2-B. Rivet heaters under 18 years of age shall be paid 25 cents per hour until they reach the age of 18, and thereafter helpers' rates.

(b) Rivet heaters in Supplement No. 4, Article I, Section 6-B, under 18 years of age shall be paid 25 cents per hour until they reach the age of 18, and thereafter helpers' rates.

ARTICLE IX.

ELECTRICAL WORKERS.

Supplement No. 4, Article I, Section 5 and 5-A.

It is not necessary for an electrical worker to be competent to perform all items of work specified. Employees skilled in any of this work shall be paid the rate established for the respective class.

ARTICLE X.

MATERIAL CARRIERS AND HELPERS.

(a) Material carriers in Supplement No. 4, Article I, Section 6-B, applies only to employees regularly engaged in selecting and distributing material to mechanics in car department.

(b) Laborers shall not be classified as helpers in the seven basic trades, unless they actually perform work recognized as helpers' work.

ARTICLE XI.

LOCOMOTIVE CRANE OPERATORS.

Section 6, Article I, Supplement No. 4 to General Order No. 27.

Locomotive crane operators, when employed in the car and locomotive shop yards, shall be considered under the same classification as

"wrecking derrick engineer" in Section 6, Article I, Supplement No. 4 to General Order No. 27, and receive 13 cents per hour over the rate in effect January 1, 1918, prior to the application of General Order No. 27, with a guaranteed minimum of 58 cents per hour. (Where employed in other departments they shall be considered under the same classification as pile driver, ditching and hoisting engineers, in Article I, Section b of Supplement No. 8 to General Order No. 27.)

ARTICLE XII.

DERRICK ENGINEER.

Section 6, Article I, Supplement No. 4 to General Order No. 27.

"Wrecking Derrick Engineers" covers the engineer operating a power-driven crane employed principally for clearing up wrecks.

ARTICLE XIII.

MOLDERS AND HELPERS.

CUPOLA TENDERS.

Supplement No. 4, Article I, Sections 7 and 7-B.

(a) A cupola tender is interpreted to be one who supervises the cupola and prescribes the charge, the fuel to be used and drawing the melt.

(b) Cupola tender helpers shall receive an increase of 13 cents per hour over rates in effect as of January 1, 1918, prior to the application of General Order No. 27, with a guaranteed minimum rate of 45 cents per hour.

(c) Employees in charge of brass melting in foundry shall receive not less than the molder's minimum rate, and helpers the same as helpers in Section (b) of this Article.

ARTICLE XIV.

These interpretations shall apply to all addenda, amendments, and interpretations to Supplement No. 4 to General Order No. 27, from their respective effective dates.

W. G. McAdoo,
Director General of Railroads.

INTERPRETATION NO. 4 TO GENERAL ORDER NO. 27.

WASHINGTON, D. C. November 29, 1918.

EMPLOYEE'S CLAIM.—That he was in the employ of the railroad from a date prior to January 1, 1918, up to 6 a. m., June 1, 1918.

EMPLOYER'S CLAIM.—That employee's tour of duty was from 6 p. m. one day until 6 a. m. the next, and that the last "day" on which the employee worked was May 31, 1918, although his hours extended to 6 a. m., June 1, 1918; that the employee left the service voluntarily.

DECISION.—Employee having been in the service on May 25, 1918, the date of the issuance of General Order No. 27, is entitled to back pay for services rendered from January 1, 1918, to the date he left the service.

W. G. McADOO,
Director General of Railroads.

INTERPRETATION No. 5 TO GENERAL ORDER No. 27.

WASHINGTON, D. C., November 29, 1918.

EMPLOYEE'S CLAIM.—On and prior to December 31, 1915, employee occupied position as agent at a certain salary. In July, 1917, his position was changed at the same salary and continued until June, 1918. Employee claims the increase afforded by General Order No. 27 upon his salary as of December 31, 1915.

EMPLOYER'S CLAIM.—The position occupied by the employee on May 25, 1918, was at a lower salary on December 31, 1915, than was paid to the position occupied by the employee on May 25, 1918; therefore, the increase afforded by General Order No. 27 should be based upon the salary of the position and not upon the salary of the man.

DECISION.—General Order No. 27, Article II, Section F, paragraph 1, explicitly provides that the wage runs with the place. Therefore, the increase should be applied to the salary which the position paid on December 31, 1915.

W. G. McADOO,
Director General of Railroads.

INTERPRETATION No. 6 TO GENERAL ORDER No. 27.

WASHINGTON, December 17, 1918.

POSITION OF EMPLOYEE.—A station agent on a certain railroad has been paid a salary of \$20 per month, and it is claimed by this employee that Article II, section F, paragraph 12, of General Order No. 27, does not apply to his case, in that the service he renders is not *special service*, as he is performing all work of an agent, and is subject to call the entire day, performing work as it transpires.

POSITION OF THE COMPANY.—The company claims that the employee in question devotes only a portion of his time to the service

of the company in the capacity of station agent without telegraph service, and that he is engaged in business in the town in which employed, and that he is not entitled to an increase in wages under Article II, section F, paragraph 12, of General Order No. 27.

The question for interpretation is—

In view of the fact that the claimant performs all of the work required at the station employed and is only paid \$20 per month, is he entitled to an increase under General Order No. 27?

DECISION.—The claimant is performing special service, and is excluded from increase in wages by Article II, paragraph 12, section F, of General Order No. 27, and paragraph (a), Article IV, Supplement 11, of General Order No. 27, which reads as follows:

“The provisions of this order will not apply in cases where amounts less than thirty (\$30.00) dollars per month are paid to individuals for special service which only takes a portion of their time from outside employment or business.”

W. G. McAdoo,
Director General of Railroads.

INTERPRETATION NO. 7 TO GENERAL ORDER NO. 27.

WASHINGTON, December 17, 1918.

CLAIM OF EMPLOYEE.—Prior to March 1, 1918, the claimant was employed as assistant passenger and ticket agent at a salary of \$80 per month. His duties consisted of selling tickets, soliciting passenger business, and acting as telegraph operator.

On March 1, 1918, the position of assistant being closed, the employee claims that he was officially checked in as city passenger and ticket agent by the company's traveling auditor, increasing his duties due to the fact that he had to handle both positions.

The employee claims that he understood from telephone conversation with the assistant passenger agent that he would be checked in temporarily, as it had not been definitely decided who would be appointed to the position. The employee served in this capacity from March 1, 1918, until May 1, 1918, at which time consolidation of certain ticket offices made it necessary for him to go to the consolidated ticket offices.

The claim of the employee is that he did not receive the salary of the city passenger ticket agent, which was \$120 per month, which rate, under General Order No. 27, would have been advanced to \$131.75, and that he was only paid his salary that he was receiving as assistant.

He further claims that if he had been paid the salary of the city passenger ticket agent for the time served in that capacity, he would

have been transferred to the consolidated ticket office at the same rate, as this was the practice followed in transferring other employees to the consolidated ticket offices.

In other words, the employee claims that his present rate of pay should be \$131.75 per month instead of \$112.70, which rate was applied in accordance with General Order No. 27 to the position which formerly paid \$80 per month.

CLAIM OF COMPANY.—The railroad company claims that the employee was assigned to the position of city passenger and ticket agent temporarily, and that they did not consider that he was entitled to an increase based upon the rate formerly paid this position.

The question for interpretation is:

In view of the fact that the employee was performing the work of city passenger and ticket agent and not receiving the rate applied to this position, should his rate under the provisions of General Order No. 27 be based on the rate formerly paid to the position he was filling?

DECISION.—The claimant was from March 1, 1918, until the date of the consolidation of the ticket offices, May 1, 1918, in charge of the office and performed the duties of city ticket agent, and is therefore entitled to the rate paid that position plus increase in accordance with the provisions of General Order No. 27.

W. G. McADOO,
Director General of Railroads.

GENERAL ORDER NO. 28.

WASHINGTON, D. C., May 25, 1918.

Whereas it has been found and is hereby certified to the Interstate Commerce Commission that in order to defray the expenses of Federal control and operation fairly chargeable to railway operating expenses, and also to pay railway tax accruals other than war taxes, net rents for joint facilities and equipment, and compensation to the carriers, operating as a unit, it is necessary to increase the railway operating revenues, and

Whereas the public interest requires that a general advance in all freight rates, passenger fares, and baggage charges on all traffic carried by all railroad and steamship lines taken under Federal control under an act of Congress approved August 29, 1916, entitled "An act making appropriations for the support of the Army for the fiscal year ending June thirtieth, nineteen hundred and seventeen, and for other purposes," shall be made by initiating the necessary rates, fares, charges, classifications, regulations, and practices by filing the same with the Interstate Commerce Commission under authority of an act of Congress approved March 21, 1918, entitled

"An act to provide for the operation of transportation systems while under Federal control, for the just compensation of their owners, and for other purposes."

Now, therefore, under and by virtue of the provisions of the said act of March 21, 1918, it is ordered that all existing freight rates, passenger fares, and baggage charges, including changes heretofore published but not yet effective, on all traffic carried by all said railroad and steamship lines under Federal control, whether the same be carried entirely by railroad, entirely by water, or partly by railroad and partly by water, except traffic carried entirely by water to and from foreign countries, be increased or modified, effective June 25, 1918, as to freight rates and effective June 10, 1918, as to passenger fares and baggage charges, to the extent and in the manner indicated and set forth in the "Exhibit" hereto attached and made part hereof, by filing schedules with the Interstate Commerce Commission effective on not less than one day's notice.

Given under my hand this the 25th day of May, 1918.

W. G. McADOO,
Director General of Railroads.

FREIGHT RATES.

Section 1.—CLASS RATES (DOMESTIC).

(a) All interstate class rates shall be increased twenty-five (25) per cent.

(b) All intrastate class rates shall be increased twenty-five (25) per cent where there are no interstate class rates published between the same points, and shall be governed by the classification, viz: Official classification, southern classification, or western classification, exceptions thereto and minimum weights which generally govern the interstate rates in the same territory, except that the Illinois classification will be used between points in the State of Illinois.

(c) All intrastate class rates shall be canceled where there are interstate class rates published between the same points and the interstate rates as increased by paragraph (a) shall apply.

(d) After such increase of twenty-five (25) per cent no rates shall be applied on any traffic moving under class rates lower than the amounts in cents per 100 pounds for the respective classes as shown below for the several classifications. Any article, on which exceptions to any classification provides a different rating than as shown in the classification to which it is an exception, will be subject to the minimum as provided below for the class provided therefor in the classification proper:

Official classification.

Classes -----	1	2	3	4	5	6
Rates -----	25	21½	17	12½	9	7

Southern classification.

Classes-----	1	2	3	4	5	6	A	B	C	D
Rates -----	25	21½	19	16	13	11	9	10	7½	6½

Western classification.

Classes-----	1	2	3	4	5	A	B	C	D	E
Rates -----	25	21	17½	15	11	12½	94	7½	6½	5

Illinois classification.

Classes-----	1	2	3	4	5	6	7	8	9	10
Rates -----	25	21	17½	15	11	12½	9	7½	6½	5

Section 2.—COMMODITY RATES (DOMESTIC).

(a) Interstate commodity rates on the following articles in car-loads shall be increased by the amounts set opposite each:

	Commodities.	Increases.
Coal—		
Where rate is 0 to 49 cents per ton	1	15 cents per net ton of 2,000 pounds.
Where rate is 50 to 99 cents per ton	2	20 cents per net ton of 2,000 pounds.
Where rate is \$1 to \$1.99 per ton	3	30 cents per net ton of 2,000 pounds.
Where rate is \$2 to \$2.99 per ton	4	40 cents per net ton of 2,000 pounds.
Where rate is \$3 or higher per ton	5	50 cents per net ton of 2,000 pounds.
Coke—		
Where rate is 0 to 49 cents per ton	1	15 cents per net ton of 2,000 pounds.
Where rate is 50 to 99 cents per ton	2	25 cents per net ton of 2,000 pounds.
Where rate is \$1 to \$1.99 per ton	3	40 cents per net ton of 2,000 pounds.
Where rate is \$2 to \$2.99 per ton	4	60 cents per net ton of 2,000 pounds.
Where rate is \$3 or higher per ton	5	75 cents per net ton of 2,000 pounds.
Ores, iron-----		30 cents per net ton of 2,000 pounds;
		except that no increase shall be made in rates on ex-lake ore that has paid one increased rail rate before reaching lake vessel.
Stone, artificial and natural, building and monumental, except carved, lettered, polished, or traced-----		Two (2) cents per 100 pounds.
Stone, broken, crushed, and ground-----		One (1) cent per 100 pounds.
Sand and gravel-----		One (1) cent per 100 pounds.
Brick, except enameled or glazed-----		Two (2) cents per 100 pounds.
Cement, cement plasters, and plaster-----		Two (2) cents per 100 pounds.
Lime-----		One and one-half (1½) cents per 100 pounds.

¹ Where rates have not been increased since June 1, 1917, the increase to be made now shall be determined by first adding to the present rate fifteen (15) cents per ton, net or gross as rated, or if an increase of less than fifteen (15) cents per ton, net or gross as rated, has been made since that date, then by first adding to the present rate the difference between the amount of that increase and fifteen (15) cents per ton, net or gross as rated; and to the rates so constructed the above increases shall now be added.

Where rates from producing points or to destination have been based on fixed differentials in cents per ton, such differentials to be maintained, the increase to be figured on the highest rated point or group.

Lumber and articles taking same rates or arbitraries over lumber rates: also other forest products, rates on which are not higher than on lumber-----	Twenty-five (25) per cent, but not exceeding an increase of five (5) cents per 100 pounds.
Grain, wheat-----	Twenty-five (25) per cent, but not exceeding an increase of six (6) cents per 100 pounds.
Other grain-----	New wheat rates.
Flour and other mill products-----	Twenty-five (25) per cent, but not exceeding an increase of six (6) cents per 100 pounds and increase shall be not less than new rates on wheat.
Cotton-----	Fifteen (15) cents per 100 pounds.
Cotton linters-----	New cotton rates.
Live stock -----	Twenty-five (25) per cent, but not exceeding an increase of seven (7) cents per 100 pounds, where rates are published per 100 pounds, or \$15 per standard 36-foot car where rates are published per car.
Packing-house products and fresh meats.	Twenty-five (25) per cent, except that the rates from all Missouri River points to Mississippi River territory and east thereof shall be the same as the new rates from St. Joseph, Mo.
Bullion, base (copper or lead), pig or slab and other smelter products.	Twenty-five (25) per cent, except— 1. That rates from producing points in the States of Arizona, California, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, and Washington to New York, N. Y., shall be sixteen dollars and fifty cents (\$16.50) per net ton with established differentials to other Atlantic seaboard points, and 2. Rates from points in Colorado and El Paso, Tex., to Atlantic seaboard points shall be increased six dollars and fifty cents (\$6.50) per net ton. Separately established rates used as factors in making through rates to the Atlantic seaboard shall be increased in amounts sufficient to protect the through rates as above increased.
Sugar, including syrup and molasses where sugar rates apply thereon.	Twenty-five (25) per cent, except— 1. Where the Official Classification applies, 5th class rates as increased will apply.

2. From points east of the Indiana-Illinois State line to points west of the Mississippi River, rates will continue to be made on combination of local rates or of proportional rates if published, to and from the Mississippi River; except that from points on the Atlantic seaboard to the Missouri River, Kansas City, Mo., to Sioux City, Iowa, inclusive, established differentials over the increased rates from New Orleans, La., shall be maintained.
3. From points in the States south of the Ohio River and east of the Mississippi River, also from points in the States of Louisiana and Texas, rates shall be increased: To Chicago, Ill., twenty-two (22) cents per 100 pounds; to St. Louis, Mo., twenty-seven and one-half ($27\frac{1}{2}$) cents per 100 pounds; to other points west of the Indiana-Illinois State line and west of the Mississippi River, except points in Arkansas, Louisiana, and Texas, twenty-two (22) cents per 100 pounds; to points on and north of the Ohio River and east of the Indiana-Illinois State line rates shall be increased to maintain the former established relation to the rates to such points from producing points on Atlantic seaboard.
4. From producing points in Colorado, Wyoming, Montana, Kansas, and Nebraska to Missouri River territory and points in Arkansas, Oklahoma, Louisiana, and Texas and points east thereof twenty-two (22) cents per 100 pounds.
5. From points in Idaho and Utah to points named in paragraph (3) rates shall be fifteen (15) cents above the rates from eastern Colorado.
6. From points in California to points taking Missouri River rates and points related thereto under the Commission's Fourth Section Orders, and to points east of the Missouri River, twenty-two (22) cents per 100 pounds.

(b) Interstate commodity rates not included in the foregoing list shall be increased twenty-five (25) per cent.

(c) Intrastate commodity rates shall be increased as shown in paragraphs (a) and (b) of this section where there are no interstate commodity rates published on substantially the same commodities between the same points, and shall be subject to the minimum weights applicable on interstate traffic in the same territory.

(d) Intrastate commodity rates shall be canceled where interstate commodity rates are published on substantially the same commodities between the same points, and the interstate rates as increased by paragraphs (a) and (b) of this section shall apply.

(e) In applying the increases prescribed in this section the increased class rates applicable to like commodity descriptions and minimum weights between the same points are not to be exceeded, except that the increases in rates on sugar in carloads shall be made as expressly provided in paragraph (a) of this section.

Section 3.—EXPORT AND IMPORT RATES.

All export and import rates shall be canceled and domestic rates applied to and from the ports.

Section 4.—FILING INTRASTATE TARIFFS WITH INTERSTATE COMMERCE COMMISSION.

(a) All intrastate rates and all rates for transportation by water, which are to be increased under this order, if not now on file, except rates canceled under paragraph (c) of section 1 and paragraph (d) of section 2, shall be immediately filed with the Interstate Commerce Commission.

(b) All items which are confined in their application to intrastate traffic, but are now carried in tariffs on file with the Interstate Commerce Commission, if not canceled under paragraph (c) of section 1 and paragraph (d) of section 2, shall be made applicable to all traffic.

Section 5.—MINIMUM CHARGES.

(a) The minimum charge on less than carload shipments shall be as provided in the classification governing, but in no case shall the charge on a single shipment be less than 50 cents.

(b) The minimum charge for carload shipments shall be \$15 per car. Does not apply to charges for switching service.

Section 6.—DISPOSITION OF FRACTIONS.

In applying rates, fractions shall be disposed of as follows:

(a) Rates in cents or in dollars and cents per 100 pounds or per package: Fractions of less than one-fourth or 0.25 to be omitted; fractions of one-fourth or 0.25, or greater, but less than three-fourths or 0.75 to be shown as one-half; fractions of three-fourths or 0.75, or greater, to be increased to the next whole figure.

(b) Rates per ton: Amounts of less than 5 cents to be omitted; amounts of 5 cents or greater, but less than 10 cents, to be increased to 10 cents.

(c) Rates per car: Amounts of less than 25 cents to be omitted; amounts of 25 cents or greater, but less than 75 cents, to be shown as 50 cents; amounts of 75 cents or greater, but less than \$1, to be increased to \$1.

Section 7.—OBSERVANCE OF DIFFERENTIALS.

In establishing the freight rates herein ordered, while established rate groupings and fixed differentials are not required to be used, their use is desirable, if found practicable, even though certain rates may result which are lower or higher than would otherwise obtain.

PASSENGER FARES AND BAGGAGE CHARGES.

SECTION 8.

This order shall apply to all the passenger fares, both interstate and intrastate, of the railroads under Federal control. No existing fare equal to or in excess of three (3) cents per mile shall be reduced. All fares now constructed on a lower basis than three (3) cents per mile shall be advanced to the basis of three (3) cents per mile. All fares which are on a lower basis than the said existing or advanced fares, as the case may be, such as mileage or excursion tickets, shall be discontinued. These requirements are subject to the following exceptions:

(a) The provisions of sections 1 and 22 of the act to regulate commerce, which authorize free or reduced fares or transportation, may be observed, except—

First. That no mileage ticket shall be issued at a rate that will afford a lower fare than the regular one-way tariff fare, and except—

Second. That excursion tickets may be issued only to the extent and on the terms set forth in paragraphs (b) and (c) below:

(b) Round-trip tourist fares shall be established on a just and reasonable basis bearing proper relation to the one-way fares author-

ized by this order, and tariffs governing same shall be filed as promptly as possible with the Interstate Commerce Commission.

(c) For the national encampment of the Grand Army of the Republic and auxiliary and allied organizations at Portland, Oreg., in 1918, and for the United Confederate Veterans Reunion, auxiliary and allied organizations at Tulsa, Okla., in 1918, a rate of one cent per mile in each direction via direct routes shall be authorized and confined by certificate of identification to the membership of these organizations and members of their immediate families. For the various State meetings of these organizations held during the year 1918, fares shall be authorized under like conditions on basis of two (2) cents per mile in each direction and confined to limits of the State in which the meeting is held.

(d) Where public convenience will be served thereby, subject to the approval of the Director General, fares determined by the short line may be applied over longer practicable routes.

(e) Officers, enlisted men, and nurses of the United States Army, Navy, and Marine Corps when traveling in uniform at own expense, shall be granted the privilege of purchasing passage tickets at one-third ($\frac{1}{3}$) the regular one-way fare, via route of ticket, applicable in coach, parlor, or sleeping car, as the case may be, when on furlough or official leave of absence, except that this reduced fare shall not be granted on short-term passes from camps or when on liberty from ships or stations to near-by cities.

Applicants for such tickets shall be required to submit for inspection of ticket agent military furlough or other official form of leave of absence and to surrender to ticket agent a furlough fare certificate signed by a commanding officer.

(f) Children under 5 years of age, when accompanied by parent or guardian, shall be carried free; children 5 years and under 12 years of age shall be charged half fare.

SECTION 9.

Commutation fares shall be advanced ten (10) per cent. Commutation fares shall be construed to include all forms of transportation designed for suburban travel and for the use of those who have daily or frequent occasion to travel between their homes and places of employment or educational institutions.

SECTION 10.

Passengers traveling in standard sleeping cars and parlor cars shall be required to pay an additional passage charge of sixteen and two-thirds ($16\frac{2}{3}$) per cent of the normal one-way fare, and passengers traveling in tourist sleeping cars an additional passage charge

of eight and one-third ($8\frac{1}{3}$) per cent of the normal one-way fare. The foregoing charges are in addition to those required for the occupancy of berths in sleeping cars or seats in parlor cars.

SECTION 11.

The following minimum number of tickets of the class good for passage in sleeping or parlor cars shall be required for occupancy of drawing rooms, compartments or sections in parlor or sleeping cars:

Two adult tickets for a drawing room in a sleeping car.

Two adult tickets for a compartment.

One and one-half adult tickets for a section.

Five adult tickets for exclusive occupancy of drawing room in a parlor car.

SECTION 12.

Passenger fares or charges for accommodation and transportation of passengers entirely by water, or partly by water and partly by rail, shall be increased proportionately with fares and charges for the transportation of passengers via rail.

SECTION 13.

The basis for computing charges for excess baggage transported under lawfully effective tariffs shall be sixteen and two-thirds ($16\frac{2}{3}$) per cent of the normal one-way passenger fare, with minimum of fifteen (15) cents per 100 pounds and minimum collection of twenty-five (25) cents per shipment.

SECTION 14.

Tickets purchased prior to June 10, 1918, will not be honored for passage on and after that date, except—

(a) Passengers en route on June 10, 1918, on one-way tickets will be carried to destination by continuous passage without additional charge.

(b) Round-trip tickets, portions of which have been used prior to June 10, 1918, or held by passengers en route on June 10, 1918, shall be honored in accordance with original tariff conditions under which sold without additional payment except that they shall be subject to the same requirements as one-way tickets in respect of additional payment for passage in sleeping or parlor cars as prescribed in section 10.

Tickets made invalid for passage by this order will be redeemed from original purchasers as follows:

Unused tickets will be redeemed at amount paid therefor.

Partially used one-way tickets will be redeemed by charging tariff fare at time of journey for portion used and refunding difference between such amount and fare at which sold.

In redemption of mileage, scrip, or credential forms the purchaser shall be given the benefit for the distance traveled of a net basis proportionate to that which would have applied had the entire book been used according to its contract.

SECTION 15.

All passenger fares lower than those hereinbefore prescribed, such as mileage, party, second-class, immigrant, convention, excursion, and tourist fares, shall be discontinued until further notice, except that tourist fares shall be reestablished as prescribed in section 8, paragraph (b) hereof.

SECTION 16.

Tariff provisions intended to assure the long haul to carriers, and which prevent the free interchange of traffic, shall be eliminated.

SECTION 17.

Stop-overs on one-way tickets, side trips at free or reduced fares, discounts by use of excess-baggage permits or excess money coupon books, and the sale of one-way tickets bearing limit in excess of time necessary to make trip by continuous passage shall be discontinued.

SECTION 18.

Optional routes may be used only when specified in tariffs.

SECTION 19.

In publishing fares and charges under this order, tariffs may be used which increase the present fares by fixed percentage to bring them to the bases authorized herein, even though the actual fares so constructed may be fractionally more or less than three (3) cents per mile.

GENERAL.

SECTION 20.

Where the Interstate Commerce Commission prior to the date hereof has authorized or prescribed rates, fares, and charges, which have not been published at the date of this order, the rates, fares, or charges initially established hereunder by applying the increases herein prescribed to the existing or published rates, fares, or charges may be subsequently revised by applying the increases prescribed herein to the rates, fares, and charges so authorized or prescribed by the Interstate Commerce Commission.

SECTION 21.

All schedules, viz, tariffs and supplements, published under the provisions of this order shall bear on the title-page the following, in bold-face type:

"The rates¹ made effective by this schedule are initiated by the President of the United States through the Director General, United States Railroad Administration, and apply to both interstate and intrastate traffic.

"This schedule is published and filed on one day's notice with the Interstate Commerce Commission under General Order No. 28 of the Director General, United States Railroad Administration, dated May 25, 1918."

SUPPLEMENT NO. 1 TO GENERAL ORDER NO. 28.

WASHINGTON, D. C., June 12, 1918.

It is ordered that General Order No. 28, be, and the same is hereby, supplemented by amending the terms and provisions of the exhibit attached thereto as follows:

Paragraphs (b) and (c) of section 1, paragraphs (c) and (d) of section 2, and paragraph (b) of section 4 are canceled.

Paragraph (a) of section 1 is amended to read as follows:

(a) All class rates, both interstate and intrastate, shall be increased twenty-five (25) per cent, except that between points in the State of Oklahoma the class rates for single and joint lines prescribed by the Interstate Commerce Commission for use between Shreveport, La., and points in Texas common-point territory, as shown on pages 345 and 346 of the forty-eighth volume of Interstate Commerce Commission reports, plus twenty-five (25) per cent, shall be applied.

Paragraph (d) of section 1 is amended to read as follows:

(d) After such increase no rates shall be applied on any traffic moving under class rates lower than the amounts, in cents per 100 pounds for the respective classes as shown below for the several classifications. The minimum rate on any article shall be the rate for the class at which that article is rated in the classification shown below applying in the territory where the shipment moves.

Official classification.

Classes-----	1	2	3	4	5	6	7
Rates -----	25	21½	17	12½	9	7½	6½

Southern classification.

Classes-----	1	2	3	4	5	6	A	B	C	D
Rates -----	25	21½	19	16	13	11	9	10	7½	6½

¹ On passenger tariffs use word "fares." On baggage tariffs use word "charges."

Western classification.

Classes	1	2	3	4	5	A	B	C	D	E
Rates	25	21	17½	15	11	12½	9	7½	6½	5

Illinois classification.

Classes	1	2	3	4	5	6	7	8	9	10
Rates	25	21	17½	15	11	12½	9	7½	6½	5

Paragraph (a) of section 2 is amended to read as follows:

(a) Commodity rates, both interstate and intrastate, on the following articles, applicable on carloads, except as otherwise provided, shall be increased by the amounts set opposite each:

Commodities.

Increases.

Coal:

Where rate is 0 to 49 cents per ton---15 cents per net ton of 2,000 pounds.
 Where rate is 50 to 99 cents per ton---20 cents per net ton of 2,000 pounds.
 Where rate is \$1 to \$1.99 per ton---30 cents per net ton of 2,000 pounds.
 Where rate is \$2 to \$2.99 per ton---40 cents per net ton of 2,000 pounds.
 Where rate is \$3 or higher per ton---50 cents per net ton of 2,000 pounds.

Where rates have not been increased since June 1, 1917, the increase to be made now shall be determined by first adding to the present rate fifteen (15) cents per ton, net or gross as rated, or if an increase of less than fifteen (15) cents per ton, net or gross as rated, has been made since that date, then by first adding to the present rate the difference between the amount of that increase and fifteen (15) cents per ton, net or gross as rated; and to the rates so constructed the above increases shall now be added.

Where rates from producing points or to destinations have been based on fixed differentials in cents per ton, such differentials to be maintained, the increase to be figured on the highest rated point or group.

Commodities.

Increases.

Coke:

Where rate is 0 to 49 cents per ton---15 cents per net ton of 2,000 pounds.
 Where rate is 50 to 99 cents per ton---25 cents per net ton of 2,000 pounds.
 Where rate is \$1 to \$1.99 per net ton---40 cents per net ton of 2,000 pounds.
 Where rate is \$2 to \$2.99 per net ton---60 cents per net ton of 2,000 pounds.
 Where rate is \$3 or higher per ton---75 cents per net ton of 2,000 pounds.

Where rates have not been increased since June 1, 1917, the increase to be made now shall be determined by first adding to the present rate fifteen (15) cents per ton, net or gross as rated, or if an increase of less than fifteen (15) cents per ton, net or gross as rated, has been made since that date, then by first adding to the present rate the difference between the amount of that increase and fifteen (15) cents per ton, net or gross as rated; and to the rates so constructed the above increases shall now be added.

Where rates from producing points or to destinations have been based on fixed differentials in cents per ton, such differentials to be maintained, the increase to be figured on the highest rated point or group.

Commodities.

Increases.

Ores, iron-----30 cents per net ton of 2,000 pounds;
 except that no increase shall be made in the rates on ex-lake ore that has paid one increased rail rate before reaching lake vessel.

Stone, artificial and natural, building
 and monumental, except carved, let-
 tered, polished, or traced-----Two (2) cents per 100 pounds.

Commodities.	Increases.
Stone, broken, crushed, and ground-----	One (1) cent per 100 pounds.
Sand and gravel-----	One (1) cent per 100 pounds.
Brick, except enameled or glazed-----	Two (2) cents per 100 pounds.
Cement, cement plasters, and plaster-----	Two (2) cents per 100 pounds.
Lime -----	One and one-half (1½) cents per 100 pounds.
Lumber and articles taking same rates or arbitraries over lumber rates; also other forest products, rates on which are not higher than on lumber.	Twenty-five (25) per cent, but not ex- ceeding an increase of five (5) cents per 100 pounds.
Grain, wheat-----	Twenty-five (25) per cent, but not ex- ceeding an increase of six (6) cents per 100 pounds.
Other grain-----	New wheat rates.
Flour and other mill products-----	Twenty-five (25) per cent, but not ex- ceeding an increase of six (6) cents per 100 pounds, and increased rates shall not be less than new rates on wheat.
Cotton, any quantity-----	Fifteen (15) cents per 100 pounds.
Cotton linters-----	New cotton rates.
Live stock-----	Twenty-five (25) per cent, but not ex- ceeding an increase of seven (7) cents per 100 pounds, where rates are published per 100 pounds, or \$15 per standard 36-foot car where rates are published per car.
Packing-house products and fresh meats.	Twenty-five (25) per cent, except that the rates from all Missouri River points to Mississippi River territory and east thereof shall be the same as the new rates from St. Joseph, Mo.
Bullion, base (copper or lead), pig or slab, and other smelter products.	Twenty-five (25) per cent, except— <ol style="list-style-type: none">1. That rates from producing points in the States of Arizona, California, Idaho, Montana, Nevada, New Mex- ico, Oregon, Utah, and Washington to New York, N. Y., shall be sixteen dollars and fifty cents (\$16.50) per net ton with established differentials to other Atlantic seaboard points; and2. Rates from points in Colorado and El Paso, Tex., to Atlantic seaboard points shall be increased six dollars and fifty cents (\$6.50) per net ton. Separately established rates used as factors in making through rates to the Atlantic seaboard shall be in- creased in amounts sufficient to pro- tect the through rates as above in- creased.

Commodities.

Sugar, including syrup and molasses,
where sugar rates apply thereon.

Increases.

- Twenty-five (25) per cent, except—
1. Where the Official Classification applies, 5th class rates as increased will apply.
2. From points east of the Indiana-Illinois State line to points west of the Mississippi River rates will continue to be made on combination of local rates or of proportional rates if published to and from the Mississippi River; except that from points on the Atlantic seaboard to the Missouri River, Kansas City, Mo., to Sioux City, Iowa, inclusive, established differentials over the increased rates from New Orleans, La., shall be maintained.
3. From points in the States south of the Ohio River and east of the Mississippi River, also from points in the States of Louisiana and Texas rates shall be increased by the following amounts less the amount of any advance made in such rates since June 1st, 1917; to Chicago, Ill., twenty - two (22) cents per 100 pounds; to St. Louis, Mo., twenty-seven and one-half ($27\frac{1}{2}$) cents per 100 pounds; to other points west of the Indiana-Illinois State line and west of the Mississippi River, except points in Arkansas, Louisiana, and Texas, twenty-two (22) cents per 100 pounds; to points on and north of the Ohio River and east of the Indiana-Illinois State line rates shall be increased to maintain the former established relation to the rates from the same points of origin to Chicago, Ill., and St. Louis, Mo.
4. From producing points in Colorado, Wyoming, Montana, Kansas, and Nebraska to Missouri River territory and points in Arkansas, Oklahoma, Louisiana, and Texas and points east thereof twenty-two (22) cents per 10 pounds.
5. From points in Idaho and Utah to points named in paragraph (4) rates shall be fifteen (15) cents above the rates from eastern Colorado.

Commodities.**Increases.**

6. From points in California and Oregon to points taking Missouri River rates and points related thereto under the Commission's Fourth Section Orders, and to points east of the Missouri River, twenty-two (22) cents per 100 pounds.

Paragraph (b) of section 2 is amended to read as follows:

(b) Commodity rates, both interstate and intrastate, not included in the foregoing list shall be increased twenty-five (25) per cent.

Paragraph (a) of section 4 is amended to read as follows:

(a) All intrastate rates and all rates for transportation by water, which are to be increased under this order, if not now on file, shall be immediately filed with the Interstate Commerce Commission. Such intrastate rates shall not be applied on interstate shipments and the schedules containing said rates shall be so restricted.

Paragraph (b) of section 5 is amended to read as follows:

(b) The minimum charge for a line haul of a carload shipment shall be fifteen dollars, except that on brick, cement, coal, coke, logs, ore, sand, and gravel, and stone (broken, crushed, and ground) the existing rates as increased under section 2 of this order shall apply.

Section 20 is amended to read as follows:

The rates, fares, and charges to be increased under this order are those existing on May 25, 1918, including changes theretofore published but not then effective and not under suspension, except where the Interstate Commerce Commission prior to May 25, 1918, authorized or prescribed rates, fares, and charges which shall have been published after May 25, 1918, and previous to June 15, 1918, the increases herein prescribed shall apply thereto. Such authorized or prescribed rates, fares, and charges not so published shall be subsequently revised when published by applying the increases prescribed herein.

Section 21 is amended to read as follows:

(a) All schedules, viz, tariffs and supplements covering passenger fares and baggage charges published under the provisions of this order shall bear on the title-page the following in bold-face type:

"The fares¹ made effective by this schedule are initiated by the President of the United States through the Director General, United States Railroad Administration, and apply to both interstate and intrastate traffic.

"This schedule is published and filed on one day's notice with the Interstate Commerce Commission under General Order No. 28 of the Director General, United States Railroad Administration, dated May 25, 1918."

(b) All schedules, viz, tariffs and supplements, published to cover freight rates under the provisions of this order shall bear on the title-page one of the legends shown below in bold-face type:

If all rates therein are to be restricted to apply on intrastate traffic only, use the following:

¹ On baggage tariffs use word "charges."

"The rates made effective by this schedule are initiated by the President of the United States through the Director General, United States Railroad Administration, and apply to interstate traffic only.

"This schedule is published and filed on one day's notice with the Interstate Commerce Commission under General Order No. 28 of the Director General, United States Railroad Administration, dated May 25, 1918, and amended June 12, 1918."

If all rates therein are to apply on interstate traffic only, use the following:

"The rates made effective by this schedule are initiated by the President of the United States through the Director General, United States Railroad Administration, and apply to interstate traffic only.

"This schedule is published and filed on one day's notice with the Interstate Commerce Commission under General Order No. 28 of the Director General, United States Railroad Administration, dated May 25, 1918, and amended June 12, 1918."

If all rates therein are to apply on both intrastate and interstate traffic, use the following:

"The rates made effective by this schedule are initiated by the President of the United States through the Director General, United States Railroad Administration, and apply to both interstate and intrastate traffic.

"This schedule is published and filed on one day's notice with the Interstate Commerce Commission under General Order No. 28 of the Director General, United States Railroad Administration, dated May 25, 1918, and amended June 12, 1918."

If some of the rates therein are to apply to interstate traffic and others to intrastate traffic, use the following:

"The rates made effective by this schedule are initiated by the President of the United States through the Director General, United States Railroad Administration, and apply to interstate or intrastate traffic, as provided herein.

"This schedule is published and filed on one day's notice with the Interstate Commerce Commission under General Order No. 28 of the Director General, United States Railroad Administration, dated May 25, 1918, and amended June 12, 1918."

Given under my hand this the 12th day of June, 1918.

W. G. McAdoo,
Director General of Railroads.

GENERAL ORDER No. 29.

WASHINGTON, May 31, 1918.

Whereas certain of the railroads now under control of the Director General have in existence at this time agreements with the International Association of Machinists, International Brotherhood of Boilermakers, Iron Ship Builders and Helpers of America, International Brotherhood of Blacksmiths and Helpers, Brotherhood Railway Carmen of America, Amalgamated Sheet Metal Workers' International Alliance, and International Brotherhood of Electrical Workers which provide for basis of compensation and regulations of employment; and

Whereas in existing circumstances it is the patriotic duty of both officers and employees of the railroads under Federal control, especially during the present war, promptly and equitably to adjust any controversies which may arise, thereby eliminating misunderstandings which tend to lessen the efficiency of the service:

It is hereby ordered, That the basis arrived at in the annexed understanding between Messrs. A. H. Smith, C. H. Markham, and R. H. Aishton, regional directors, representing the railroads in the eastern, southern, and western territories, which now have, or may hereafter have such schedules or agreements with the chief executive officers of the International Association of Machinists, International Brotherhood of Boilermakers, Iron Ship Builders and Helpers of America, International Brotherhood of Blacksmiths and Helpers, Brotherhood Railway Carmen of America, Almagamated Sheet Metal Workers' International Alliance, and International Brotherhood of Electrical Workers be, and the same is hereby, adopted and put into effect as of May 31, 1918.

W. G. McADOO,
Director General of Railroads.

MEMORANDUM OF AN UNDERSTANDING BETWEEN MESSRS. A. H. SMITH, C. H. MARKHAM, AND R. H. AISHTON, REGIONAL DIRECTORS, REPRESENTING THE RAILROADS IN THEIR RESPECTIVE REGIONS, AND MR. A. O. WHARTON, PRESIDENT RAILWAY EMPLOYEES DEPARTMENT; MR. J. F. ANDERSON, ACTING PRESIDENT INTERNATIONAL ASSOCIATION OF MACHINISTS; MR. LOUIS WEYAND, ACTING PRESIDENT INTERNATIONAL BROTHERHOOD OF BOILER MAKERS, IRON SHIP BUILDERS AND HELPERS OF AMERICA; MR. G. C. VAN DORNES, ACTING PRESIDENT INTERNATIONAL BROTHERHOOD OF BLACKSMITHS AND HELPERS; MR. F. H. KNIGHT, ACTING PRESIDENT BROTHERHOOD OF RAILWAY CARMEN OF AMERICA; MR. OTTO E. HOARD, ACTING PRESIDENT AMALGAMATED SHEET METAL WORKERS' INTERNATIONAL ALLIANCE; MR. FRANK J. MCNULTY, PRESIDENT INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS.

It is understood that all controversies growing out of the interpretation or application of the provisions of the wage schedules or agreements which are not promptly adjusted by the officials and the employees on any one of the railroads operated by the Government shall be disposed of in the following manner:

1. There shall be at once created a commission, to be known as Railway Board of Adjustment No. 2, to consist of 12 members, 6 to be selected by the said regional directors and compensated by the railroads, and one each by the chief executive officer of each of the six organizations of employees hereinbefore named and compensated by such organizations.

2. This Board of Adjustment No. 2 shall meet in the city of Washington within 10 days after the selection of its members and elect a chairman and vice chairman, who shall be members of the board. The chairman or vice chairman will preside at meetings of the board, and both will be required to vote upon the adoption of all decisions of the board.

3. The board shall meet regularly at stated times each month and continue in session until all matters before it are considered.

4. Unless otherwise mutually agreed, all meetings of the board shall be held in the city of Washington: *Provided*, That the board shall have authority to empower two or more of its members to conduct hearings and pass upon controversies when properly submitted at any place designated by the board: *Provided further*, That such subdivision of the board will not be authorized to make final decision. All decisions shall be made and approved by the entire board, as herein provided.

5. Should a vacancy occur in the board for any cause, such vacancies shall be immediately filled by the same appointive authority which made the original selection.

6. (Article 6 left blank in this memorandum because article 6 for Railway Board of Adjustment No. 1 refers to matters pertaining to the Commission of Eight. In order that all other articles in this Memorandum of Understanding may bear the same numbers as similar articles for Railway Board of Adjustment No. 1, article No. 6 has been left blank.)

7. The Board of Adjustment No. 2 shall render decisions on all matters in dispute as provided in the preamble hereof and when properly submitted to the board.

8. The broad question of wages and hours will be considered by the Railroad Wage Commission, but matters of controversies arising from interpretations of wage agreements, not including matters passed upon by the Railroad Wage Commission, shall be decided by the Railway Board of Adjustment No. 2, when properly presented to it.

9. Wages and hours, when fixed by the Director General, shall be incorporated into existing agreements on the several railroads, and should differences arise between the management and the employees of any of the railroads as to such incorporation, such questions of difference shall be decided by the Railway Board of Adjustment No. 2, when properly presented, subject always to review by the Director General.

10. Personal grievances or controversies arising under interpretation of wage agreements, and all other disputes arising between officials of a railroad and its employees, covered by this understanding, will be handled in their usual manner by general committees of

the employees up to and including the chief operating officer of the railroad (or some one officially designated by him), when, if an agreement is not reached, the chairman of the general committee of employees may refer the matter to the chief executive officer of the organization concerned, and if the contention of the employees' committee is approved by such executive officer, then the chief operating officer of the railroad and the chief executive officer of the organization concerned shall refer the matter, with all supporting papers, to the Director of the Division of Labor of the United States Railroad Administration, who will, in turn, present the case to the Railway Board of Adjustment No. 2, which board shall promptly hear and decide the case, giving due notice to the chief operating officer of the railroad interested and to the chief executive officer of the organization concerned of the time set for hearing.

11. No matter will be considered by the Railway Board of Adjustment No. 2 unless officially referred to it in the manner herein prescribed.

12. In hearings before the Railway Board of Adjustment No. 2, in matters properly submitted for its consideration, the railroad shall be represented by such person or persons as may be designated by the chief operating officer, and the employees shall be represented by such person or persons as may be designated by the chief executive officer of the organization concerned.

13. All clerical and office expenses will be paid by the United States Railroad Administration. The railroad directly concerned and the organization involved in a hearing will, respectively, assume any expense incurred in presenting a case.

14. In each case an effort should be made to present a joint concrete statement of facts as to any controversies, but the board is fully authorized to require information in addition to the concrete statement of facts, and may call upon the chief operating officer of the railroad or the chief executive officer of the organization concerned for additional evidence, either oral or written.

15. All decisions of the Railway Board of Adjustment No. 2 shall be approved by a majority vote of all members of the board.

16. After a matter has been considered by the board, and in the event a majority vote can not be obtained, then any six members of the board may elect to refer the matter upon which no decision has been reached to the Director General of Railroads for a final decision.

17. The Railway Board of Adjustment No. 2 shall keep a complete and accurate record of all matters submitted for its consideration and of all decisions made by the board.

18. A report of all cases decided, including the decision, will be filed with the Director, Division of Labor of the United States Rail-

road Administration, with the chief operating officer of the railroad affected, the several regional directors, and with the chief executive officers of the organizations concerned.

19. This understanding shall become effective upon its approval by the Director General of Railroads and shall remain in full force and effect during the period of the present war, and thereafter, unless a majority of the regional directors, on the one hand, as representing the railroads, or a majority of the chief executive officers of the organizations, on the other hand, as representing the employees, shall desire to terminate the same, which can, in these circumstances, be done on thirty (30) days' formal notice, or shall be terminated by the Director General himself at his discretion, on thirty (30) days' formal notice.

A. H. SMITH,
C. H. MARKHAM,
R. H. AISHTON,

Regional Directors for the Railroads under Government Control.

A. O. WHARTON,
President Railway Employees' Department.
J. F. ANDERSON,

Acting President International Association of Machinists.

LOUIS WEYAND,
Acting President International Brotherhood of Boiler Makers, Iron Ship Builders and Helpers of America.

G. C. VAN DORNES,
Acting President International Brotherhood of Blacksmiths and Helpers.

F. H. KNIGHT,
Acting President Brotherhood Railway Carmen of America.
OTTO E. HOARD,

Acting President Amalgamated Sheet Metal Workers' International Alliance.
FRANK J. McNULTY,

President International Brotherhood of Electrical Workers.

NOTE.—The foregoing memorandum of an understanding has been signed for certain of the organizations by "acting president." This was made necessary by the inability of the presidents of these organizations to be present in person. The signatures of the acting presidents have been properly authorized and are accepted by the organizations as though signed by the presidents.

Approved.

W. G. McADOO,
Director General of Railroads.

GENERAL ORDER No. 30.

SETTLEMENT OF INTER-ROAD BILLS AND ACCOUNTS.

WASHINGTON, June 12, 1918.

Effective July 1, 1918, the following regulations shall govern the settlement of all inter-road bills, statements, and accounts rendered by one carrier under Federal control against or for account of another carrier under such control.

1. Settlements by vouchers and the drawing of drafts in settlement of individual inter-road bills, statements, and accounts rendered by one carrier under Federal control against another carrier under such control, except as provided for in paragraph 2 hereof, shall be discontinued.

2. The regulations herein prescribed shall not include:

(a) Settlement of accounts between a carrier under Federal control and a carrier not under such control.

(b) Settlement of accounts between carriers under Federal control for transactions which do not properly belong on the Federal books of either carrier interested.

3. Each bill, statement, or account made and rendered by one carrier under Federal control against or in favor of another carrier under such control, and forwarded on and after July 1, 1918, shall be plainly stamped on the face thereof, as follows: "Included in settlement, month of _____, 191__." Such stamp shall indicate the month in which the amount represented by the account will be included for settlement by the carrier rendering the account, and it shall be included in the same month's settlement account by the receiving carrier. No such bill, statement, or account made and rendered in one month shall be back-dated for a prior month.

4. On the first of each month each carrier shall prepare and render each other carrier with which it has inter-road transactions, as a basis for a settlement for the month just ended, a statement of debits and credits, in abstract, showing the nature and total of each bill, statement, or account forwarded by it to each other carrier during the preceding month.

5. There shall be opened as of July 1, 1918, on the Federal books of each carrier, a clearance or settlement account with each other carrier under Federal control with which it has inter-road transactions.

6. As inter-road bills, statements, or accounts are made and rendered they shall be charged or credited as the case may be, through the clearance or settlement account prescribed in the preceding paragraph.

7. As inter-road bills, statements, or accounts are received they shall be—

(a) Examined as to correctness, as prescribed in General Order No. 20.

(b) Charged or credited to the appropriate operating or other account.

(c) Credited or charged (as the case may be) by the receiving carrier to the carrier originating the account through the appropriate clearance or settlement account prescribed in paragraph 5 hereof.

8. The total of each statement for a given month shall be accepted as rendered, and on or before the 15th day of each month subsequent to that for which such statement was rendered the creditor carrier shall draw upon the debtor carrier for the balance between the two statements exchanged by them.

9. In the event the statement referred to in paragraph 4 indicates that the originating carrier has charged or credited the other carrier with a bill, statement, or account which has not been received, the carrier to which the statement is rendered shall accept the account and credit or debit the originating carrier therewith to the debit or credit of a suspense account. Such receiving carrier shall immediately take the matter up with the originating carrier for the purpose of locating the missing bill, statement, or account. If it be found that such amount was included in the statement in error, adjustment shall be made therefor in a subsequent statement. If manifest errors be found in such statements by a receiving carrier, the attention of the originating carrier shall be called thereto and such error or errors shall be adjusted in the statement for the subsequent month.

W. G. McADOO,

Director General of Railroads.

GENERAL ORDER No. 31.

WASHINGTON, D. C., June 12, 1918.

Effective July 1, 1918, the following rules and regulations shall govern the accounting for the use of equipment or facilities of one carrier under Federal control by or for the account of another carrier under such control, provided nothing herein contained shall be construed to warrant the discontinuance of the keeping, rendition, and settlement of such accounts by a carrier under Federal control in favor of or against a carrier not under Federal control, in the same manner as heretofore.

I. HIRE OF FREIGHT AND PASSENGER TRAIN EQUIPMENT.

1. The practice of recording, computing, and paying per diem, mileage, or rental for the use of freight and passenger train cars of

one carrier under Federal control by or for account of another carrier under Federal control, and the adjustment of differences, reclaims, etc., between such carriers which clearly relate to transactions incurred on or after January 1, 1918, shall be discontinued.

2. Junction cards, interchange reports, location records, and all other records and reports necessary to determine the location of equipment shall be kept, rendered, and compiled as heretofore.

II. JOINT FACILITIES—BILLS FOR USE OF.

3. Effective with costs incurred on and after July 1, 1918, bills rendered by one carrier under Federal control against another carrier under such control for maintaining and operating (including taxes and rental) tracks, yards, terminals and other facilities, including costs to operate equipment used therein, shall be computed, rendered, charged, and paid on the following bases:

(a) In cases where the tenancy is not changed under Government operations: The total cost of maintenance, operation, taxes, and rental, as provided for under existing agreements, and the amounts thereof borne by each user, for a period not less than six months ended December 31, 1917, shall be determined by the owning or operating carrier. From such costs the percentage of the total borne by each user to the total costs shall be determined. The percentages thus determined shall be applied monthly to the total costs incurred on and after July 1, 1918, and bills shall be rendered and paid on the results thus obtained.

(b) In cases where tenants or users are admitted to facilities not heretofore jointly used: Federal managers of the facilities to be jointly used shall determine, as between themselves, a fair and equitable arbitrary basis for the apportionment of the total costs of maintenance, operation, taxes, and rental which should be paid by each tenant. Such basis shall thereafter during the period of Federal control be used by the owning carrier as a basis for preparation and rendition of bills against the tenants or users, and such tenants or users shall pay such bills as rendered.

(c) In cases where the number of tenants or users of facilities now used by tenants under agreements with owners is increased or decreased: The literal compliance with the terms of such agreements shall be temporarily suspended for the period of Federal control, and a fair and equitable basis of use shall be determined as prescribed in paragraph (b) preceding, except that due regard shall be given to the terms of existing agreements in fixing such arbitrary basis.

(d) In cases where a lump-sum charge has been made by an owning or operating carrier which is under Federal control for the use

of a facility used by another carrier which is under such control, such bills for the lump-sum charge shall be rendered and paid during Federal control as heretofore; provided, however, if there be a change in such tenancy by the admittance of other tenants or otherwise, and the contractual basis upon which the lump-sum charge is made disturbed thereby, an arbitrary basis of charge by the owner against the tenant or tenants shall be determined as prescribed in paragraph (b) hereof.

4. Details heretofore required in support of joint facilities bills, statements, and accounts shall be discontinued, except that such bills shall show the totals chargeable and creditable to the primary operating revenue, expense, tax, and rental accounts prescribed by the Interstate Commerce Commission, or which may hereafter be prescribed.

5. If materials and supplies the value of which is carried in the accounts of one carrier under Federal control be used by another carrier under such control for maintaining or operating equipment or facilities jointly used, the value at which such materials and supplies are carried in the accounts of the carrier furnishing them shall be billed against and paid for by the carrier using them as heretofore, except that percentages for overheads and other carrying expenses shall not be added to the cost thereof.

W. G. McADOO,
Director General of Railroads.

GENERAL ORDER No. 32.

WASHINGTON, D. C., June 29, 1918.

Effective with the settlement of interline passenger accounts for the month of June, 1918, and thereafter, during the period of Federal control, the following rules and regulations shall govern the apportionment of revenues from the sale of tickets, collection of excess baggage revenues, and other analogous revenues, derived from interline passenger service, by one road under Federal control to other roads under such control:

(1) Interline passenger revenue shall be apportioned to interested carrier under Federal control by the initial carrier on bases of mileage applying via route over which the service is performed.

(2) Each selling carrier shall determine monthly:

(a) The total passengers carried 1 mile separately for each carrier over whose line tickets are sold.

(b) The total revenue applicable to the total passengers carried 1 mile, as determined by (a).

(c) The average revenue per passenger per mile by dividing the total revenue (b) by the total passengers carried 1 mile (a); such average to be extended to four points beyond the decimal.

(d) The revenue accruing to each carrier by multiplying the passengers carried 1 mile for each carrier (a) by the average revenue per passenger per mile (c).

(3) The revenues derived from the various classes of traffic, such as mileage and scrip exchange passage tickets, excess train fare tickets or coupons, etc., which are based upon rates other than three (3) cents per mile, shall be eliminated from the regular sales and apportioned separately on the passengers carried 1 mile basis. This should also be done in the case of special excursion, military, or other traffic interchanged between two or more carriers where, if included, it would serve to distort the average revenue per passenger per mile that would obtain for other carriers interested in the distribution of the entire sales.

(4) Excess baggage revenue shall be divided on the same general basis.

(5) A carrier which, on and after June 10, 1918, may have a standard rate of fare in excess of three (3) cents per mile shall be allowed, in the apportionment of revenue on interline tickets, a constructive mileage; such constructive mileage shall be based on the ratio that the excess rate bears to the standard rate of three (3) cents per mile. Carrier should not claim constructive mileage when fares to be divided are not made a combination of the local fares based on the higher rate per mile. Revenue derived from such traffic should be apportioned as provided in paragraph 3.

(6) The selling carrier shall be held responsible for the correctness of rates and the collection of the proper revenues derived therefrom.

(7) The initial or reporting carrier shall be held responsible for the prompt and proper reporting and distribution of interline revenues collected by it in the manner herein prescribed. Claims should be made for unreported tickets. Claims for substantial errors in apportionment, due to the use of erroneous mileage or erroneous average revenue per passenger per mile, shall, if correct, be accepted and adjusted in reports for the subsequent month. Claims for arithmetical errors, such as errors in calculation, addition, etc., which affect a single carrier's proportion to the extent of \$5 in any one item, shall likewise be made, and if correct, adjusted: no adjustments shall be made for such errors under \$5.

(8) Land-grant revenues and revenues affected by land-grant equalizations, shall, until otherwise ordered, be reported and apportioned separately on bases heretofore applicable.

(9) Arbitraries on account of water transfers, bridge tolls, omnibus and baggage transfers and other similar arbitraries heretofore considered in the division of interline fares, shall be allowed to the carrier to which such arbitraries accrue. Proportions accruing to carriers not under Federal control, including boat and stage lines, etc., shall also be determined and allowed on regular bases heretofore in effect, and reported direct to such lines; such arbitraries and proportions shall be deducted from the gross revenue and the remainder shall be used in establishing the average revenue per passenger per mile for apportionment of revenues to carriers under Federal control.

(10) Interline passenger revenues shall be reported to interested carriers in such manner and on such forms as may be prescribed by the Director of Public Service and Accounting, in instructions to be issued by him, which instructions shall be complied with. For the present the standard association form of blanks may be used.

(11) The methods herein prescribed for apportioning interline passenger revenues should be extended to carriers not under Federal control as far as practicable: therefore, should carriers not under such control desire to avail themselves of the simplified bases for apportioning interline passenger revenues, as herein prescribed, in conjunction with carriers under such control, arrangements may be made between such interested carriers for the extension of such methods.

W. G. McADOO,
Director General of Railroads.

GENERAL ORDER No. 33.

(Reprint of July 12, 1918.)

WASHINGTON, July 10, 1918.

Mr. G. A. Tomlinson, General Manager of the New York Canal Section of the United States Railroad Administration, is appointed Federal Manager of New York and New Jersey Canals, effective July 15, 1918, and as such will perform the functions heretofore performed by him as General Manager of New York Canal Section of the United States Railroad Administration, and in addition will operate for the Director General upon the Delaware & Raritan Canal and connecting waters such equipment as the United States Railroad Administration now has in its possession and control engaged in such operation and such additional equipment as may be assigned for that purpose. He is authorized to enforce and collect such toll charges as are or may hereafter be established for the use of the Delaware & Raritan Canal by boats operated by others and empowered to enter

into contracts, either in his own name as such Federal Manager or in the name of the Director General of Railroads, for the purchase of supplies needed in such operation and for the transportation of property upon such Canal and other waters.

W. G. McADOO,
Director General of Railroads.

GENERAL ORDER No. 34.

[General Order No. 34 is superseded by General Order No. 34-A.]

WASHINGTON, July 10, 1918.

Carriers subject to Federal control shall sell at public auction to the highest bidder, without advertisement, carload and less than carload nonperishable freight that has been refused or is unclaimed by consignee and has been on hand for a period of sixty days. The consignee, as described in the waybill, shall be given due notice by mail of the proposed sale.

Perishable freight shall be sold whenever in the judgment of the agent or other representative of the carrier it is necessary to do so, such reasonable effort being made to notify the consignee as described in the waybill as the circumstances will permit.

The place of sale of both nonperishable and perishable freight shall be determined by the carrier. The net proceeds, if any, after deducting freight and other legitimate expenses, will be paid over to the owner on proof of ownership.

W. G. McADOO,
Director General of Railroads.

GENERAL ORDER No. 34-A.

WASHINGTON, D. C., October 1, 1918.

General Order No. 34 is hereby revoked and General Order No. 34-A substituted in place thereof.

Carriers subject to Federal control shall sell at public auction to the highest bidder, without advertisement, carload and less than carload nonperishable freight which has been refused or is unclaimed at destination by consignees after the same has been on hand 60 days. Consignees, as described in the waybill, shall be notified of arrival of shipments in all cases, and such notice shall contain provisions that after freight is unclaimed or undelivered for 15 days after expiration of free time at destination it will be treated as refused and will be sold without further notice 60 days from date of notice of arrival.

Consignors shall be notified when freight is refused or is unclaimed, as provided above, when the consignor can be determined from the

billing or when shipments are marked with the consignor's name and address; such notice to contain provisions that unless proper orders for disposition are received on or before a specified date, not earlier than 60 days from date of arrival and notice to consignee, the shipment will be sold for charges without further notice.

Perishable freight may be sold in the discretion of the carrier whenever necessary to prevent waste, without notice except to consignee. Such reasonable effort shall be made to notify the consignee as described in the waybill as the circumstances will permit.

Deposit in the mail of notices in accordance herewith shall be construed as sufficient notice to all concerned and a record shall be made thereof by the employee who mails the same.

The place of sale of both perishable and nonperishable freight shall be determined by the carrier; the net proceeds, if any, after deducting freight and other legitimate expenses, will be paid to the owner on proof of interest.

Nothing herein contained shall affect the provisions for notice to consignor of unclaimed or refused shipment of explosives or other dangerous articles, or for telegraphic notice to consignees of unclaimed and refused shipments at his expense and on his request, or other special provisions for notice to consignors, where such provisions are contained in the storage rules of the carrier, or other rules contained in tariffs on file with the Interstate Commerce Commission, except that where notice of refusal is given to the consignor under such tariff rules, it shall include the notice of sale after 60 days above provided for, and notice need not be repeated under this order.

W. G. McAdoo,
Director General of Railroads.

GENERAL ORDER No. 35.

WASHINGTON, July 11, 1918.

Effective this date, Mr. M. J. Sanders is hereby appointed Federal Manager of Mississippi and Warrior Waterways for the United States Railroad Administration, with headquarters at New Orleans, Louisiana, and, as such, will have charge of the construction and acquisition of equipment for use upon the Mississippi River between St. Louis and New Orleans, and for use upon the Warrior River between the Alabama coal fields and Mobile, and in connection therewith for use upon the Mississippi Sound and connecting waters between Mobile and New Orleans, and will operate such equipment for the Director General of Railroads upon all such waters.

He is hereby empowered to enter into contracts, either in his own name as such Federal Manager or in the name of the Director General of Railroads, for the construction, acquisition, or chartering of

such equipment, for the purchase of supplies needed in such operations, and for the transportation of traffic upon all such waters.

W. G. McADOO,
Director General of Railroads.

GENERAL ORDER No. 36.

WASHINGTON, *July 18, 1918.*

Premiums on fidelity bonds, which have heretofore been paid by or charged to officers, agents, and employees on transportation lines now, or which may hereafter be placed, under Federal control, shall no longer be so handled, but shall be charged to operating expenses.

W. G. McADOO,
Director General of Railroads.

GENERAL ORDER No. 37.

WASHINGTON, *July 19, 1918.*

(1) The Local Treasurers appointed by Federal Managers or by General Managers appointed in lieu of Federal Managers, shall hereafter be designated "Federal Treasurers" and are expected to devote themselves exclusively to the work of the United States Railroad Administration. They ought not to handle any funds for a railroad corporation or perform any other services therefor except in special cases after obtaining express authority. The Federal Treasurers should be nominated by the Federal Manager (or General Manager appointed in lieu of Federal Manager), and the nomination, when it shall have been approved by the Regional Director, should be transmitted to the Director of the Division of Finance for consideration and final action. In cases where Federal Treasurers have already been appointed the appointments should be submitted promptly through the Regional Director with his recommendations for confirmation by the Director of the Division of Finance.

(2) Immediately upon the appointment of Federal Treasurers the designation of the bank account subject to check of such Federal Treasurers shall be "(Name of Railroad), Federal Account."

(3)

- (a) All cash representing receipts from the operations of its railroad since and including January 1, 1918, now in the hands of the railroad corporation for whose railroad a Federal Treasurer has been appointed, or held for account of the corporation, and
- (b) Any and all other cash now in the hands of such railroad corporation or held for its account for use in connection with the operation or improvement of its railroad

shall be at once transferred by the railroad corporation to accounts in the same banks in which it is now held, designated as prescribed in paragraph (2) hereof, which shall be subject to check by the Federal Treasurer.

(4) Federal Treasurers shall draw on the new accounts thus to be opened and subject to their check only for

- (a) the payment of materials and supplies purchased since December 31, 1917.
- (b) the payment of operating expenses and taxes (other than the war income tax and the excess profits tax) accrued since December 31, 1917, and
- (c) the payment of such addition and betterment costs as may be approved by the Federal Manager (or General Manager appointed in lieu of the Federal Manager).

Federal Treasurers shall not draw on such accounts for any other purposes except when expressly authorized to do so by the Director of the Division of Finance and Purchases.

(5) A specimen form of check which has been approved for use by all railroads under Government control is attached hereto. In ordering checks for the use of the railroad the Federal Treasurer will follow as closely as practicable the general arrangement and language of the specimen form. The account with every bank must be stated in the name of the railroad with the name "Federal Account" immediately following *on the same line* as shown in the attached specimen.

(6) Until further ordered checks signed by the Treasurer should be countersigned according to the practice now in vogue on the different roads where regulations now call for such countersignatures.

W. G. McADOO,
Director General of Railroads.

[Form of check attached to and made a part of General Order No. 37.]

NORTH AND SOUTH R.R.
JOHN SMITH,
FEDERAL TREASURER

United States Railroad Administration.

W. G. MCADOO, DIRECTOR GENERAL,

TO	PAY TO _____	OR ORDER, \$ _____
		DOLLARS.
LIBERTY NATIONAL BANK, } WASHINGTON, D.C. } COUNTERSIGNED:		NORTH & SOUTH R.R. FEDERAL ACCOUNT.
		FEDERAL TREASURER.

GENERAL ORDER No. 37-A.

WASHINGTON, *August 1, 1918.*

General Order No. 37 of July 19, 1918, is hereby revised to read as follows—(the words underscored indicating the additions to the Order as originally issued):

(1) The Local Treasurers appointed by Federal Managers, or by General Managers appointed in lieu of Federal Managers, shall hereafter be designated "Federal Treasurers" and are expected to devote themselves exclusively to the work of the United States Railroad Administration. They ought not to handle any funds for a railroad corporation or perform any other services therefor except in special cases after obtaining express authority.

The Federal Treasurers should be nominated by the Federal Manager (or General Manager appointed in lieu of Federal Manager), and the nomination, when it shall have been approved by the Regional Director, should be transmitted to the Director of the Division of Finance for consideration and final action. In cases where Federal Treasurers have already been appointed the appointments should be submitted promptly through the Regional Director with his recommendations for confirmation by the Director of the Division of Finance.

(2) Immediately upon the appointment of Federal Treasurers the designation of the bank account subject to check of such Federal Treasurers shall be "(Name of Railroad), Federal Account."

(3)

(a) All cash representing receipts from the operations of its railroad since and including January 1, 1918, now in the hands of the railroad corporation for whose railroad a Federal Treasurer has been appointed, or held for account of the corporation; and

(b) Any and all other cash now in the hands of such railroad corporation or held for its account for use in connection with the operation or improvement of its railroad shall be at once transferred by the railroad corporation to accounts in the same banks in which it is now held, designated as prescribed in paragraph (2) hereof, which shall be subject to check by the Federal Treasurer.

(4) Federal Treasurers shall draw on the new accounts thus to be opened and subject to their check only for

(a) The payment of materials and supplies purchased since December 31, 1917; and also of materials and supplies purchased prior to December 31, 1917,

- (b) the payment of operating expenses (including approved claims for personal injuries and loss and damage, and also equipment and joint facility rents, traffic balances, overcharges and taxes (other than the war income tax and the excess-profits tax) accrued since December 31, 1917; and also all items clearly applicable to the period prior to January 1, 1918, commonly called "lap-overs," which are required to be set up on the Federal books pursuant to Order No. 17.)
- (c) the payment of such addition and betterment costs as may be approved by the Federal Manager (or General Manager appointed in lieu of the Federal Manager).

Federal Treasurers shall not draw on such accounts for any other purposes except when expressly authorized to do so by the Director of the Division of Finance and Purchases.

(5) A specimen form of check which has been approved for use by all railroads under Government control is attached hereto. In ordering checks for the use of the railroad the Federal Treasurer will follow as closely as practicable the general arrangement and language of the specimen form. The account with every bank must be stated in the name of the railroad with the name "Federal Account" immediately following on the same line as shown in the attached specimen.

(6) Until further ordered checks signed by the Treasurer should be countersigned according to the practice now in vogue on the different roads where regulations now call for such countersignatures.

W. G. McADOO,
Director General of Railroads.

[Slip attached to and forming a part of General Order No. 37-A.]

The specimen check which accompanied Order No. 37 should govern, except that the heading thereof should be changed to read:

"UNITED STATES RAILROAD ADMINISTRATION

"W. G. McADOO, DIRECTOR GENERAL OF RAILROADS."

GENERAL ORDER NO. 38.

WASHINGTON, D. C., July 24, 1918.

Pursuant to the Act approved March 21, 1918, entitled "An Act to provide for the operation of transportation systems while under Federal Control, for the just compensation of their owners, and for other purposes," it is ordered that on and after the 15th day of

August, 1918, the following requirements and provisions shall apply and be observed in respect to the shipments hereinafter described:

1. Shipments intended for use of any one of the Government Departments, either directly or through a contractor with the United States Government, shall not be entitled to or receive any privilege which may be accorded on account of being intended for use of one of the United States Government Departments, either directly or indirectly through a contractor with the United States Government, where said shipments are consigned otherwise than in one of the following ways:

- (a) To a Government officer designated, not by the name of the individual, but by the title of his position; as, for example: Supply Officer, Naval Inspector, or Constructing Quartermaster.
- (b) To a Government officer designated not by name but by title as above, followed by the words "For account of," and then followed by the name of the contractor or agent for the Government engaged on the work at the point of destination.
- (c) On some contracts the Government has entered into an agreement designating certain parties as agent, or agents, for the Government on that particular contract. Shipments for such parties shall be consigned to the particular Department for which the work is being done, followed by the words "For account of," and then followed by the name of the agent, as, for instance:

Ordnance Department: For account of duPont Engineering Co. Agent, Penniman, Williamsburg, Va.

or

Ordnance Department: For account of T. A. Gillespie, Loading Co., Agents. South Amboy, N. J.

- (d) Shipments of material, equipment and supplies for any person repairing or building ships under the supervision of the United States Shipping Board Emergency Fleet Corporation, shall be consigned only to the United States Shipping Board Emergency Fleet Corporation, followed by the words "For account of" and then followed by the name and location of the particular concern performing the work, as, for instance:

United States Shipping Board Emergency Fleet Corporation: For account of American International Shipbuilding Corporation, Hog Island, Pa.

2. It is forbidden—

- (a) In consigning a shipment to use the words, "United States Government" or substantially that term, or abbreviations thereof, as the sole description of the consignee;
- (b) Or to consign a shipment to and in the name of the United States Government followed by words indicating that it is sent "care of" a private person, firm, or corporation;
- (c) Or to consign a shipment to a Government official or to an officer of the Army or Navy by his name as an individual;
- (d) Or to consign a shipment to a Government official or to an officer of the Army or Navy followed by words indicating that it is sent "care of" a private person, firm, or corporation.

3. No shipper or other person seeking or obtaining any privilege which may be accorded on account of the shipment being intended for the use of any one of the United States Government Departments, either directly or indirectly through a contractor with the United States Government, shall without authority use or cause to be used as consignee the name or title of the United States or of any department, bureau, agency, employee, or officer thereof, or of the United States Shipping Board Emergency Fleet Corporation or of any officer, agent, employee thereof, or of any other person, or the designation "Emergency Fleet Corporation"; nor shall any shipper or other person offer or cause to be received for carriage, or transported, without authority, any such shipment consigned as specified in the foregoing paragraphs number 1 and 2, for the purpose of securing, by such consignment, any privilege which may be accorded on account of the shipment being intended for the use of any one of the United States Government Departments, either directly or indirectly through a contractor with the United States Government.

4. Agents are forbidden to sign or issue bills of lading or receipts for shipments which in any manner conflict with any of the foregoing provisions.

W. G. McADOO,
Director General of Railroads.

(Violation of the foregoing order is punishable by fine of not more than \$5,000.00 or by imprisonment for not more than two years or by both such fine and imprisonment.)

GENERAL ORDER No. 39.

WASHINGTON, August 12, 1918.

The sale of liquors and intoxicants of every character in dining cars, restaurants and railroad stations under Federal control shall be discontinued immediately.

W. G. McADOO,
Director General of Railroads.

GENERAL ORDER No. 40.

WASHINGTON, D. C., August 18, 1918.

To all employees in the railroad service of the United States:

Complaints have reached me from time to time that employees are not treating the public with as much consideration and courtesy under Government control of the railroads as under private control. I do not know how much courtesy was accorded the public under private control, and I have no basis, therefore, for accurate comparison. I hope, however, that the reports of discourtesy under Government administration of the railroads are incorrect, or that they are at least confined to a relatively few cases. Whatever may be the merits of these complaints, they draw attention to a question which is of the utmost importance in the management of the railroads.

For many years it was popularly believed that "the public be damned" policy was the policy of the railroads under private control. Such a policy is indefensible either under private control or Government control. It would be particularly indefensible under public control when railroad employees are the direct servants of the public. "The public be damned" policy will in no circumstances be tolerated on the railroads under Government control. Every employee of the railroad should take pride in serving the public courteously and efficiently. Courtesy costs nothing and when it is dispensed, it makes friends of the public and adds to the self-respect of the employee.

My attention has also been called to the fact that employees have sometimes offered as an excuse for their own shortcomings, or as a justification for delayed trains or other difficulties the statement that "Uncle Sam is running the railroads now" or "These are McAdoo's orders," etc. Nothing could be more reprehensible than statements of this character, and nothing could be more hurtful to the success of the Railroad Administration or to the welfare of railroad employees themselves. No doubt, those who have made them have done so thoughtlessly in most instances, but the harm is just as great if a thing of this sort is done thoughtlessly as if it is done deliberately.

There are many people who for partisan or selfish purposes wish Government operation of the railroads to be a failure. Every em-

ployee who is discourteous to the public or makes excuses or statements of the kind I have described is helping these partisan or selfish interests to discredit Government control of railroads.

Recently the wages of railroad employees were largely increased, involving an addition to railroad operating expenses of more than \$475,000,000 per annum. In order to meet this increase, the public has been called upon to pay largely increased passenger and freight rates. The people have accepted this new burden cheerfully and patriotically. The least that every employee can do in return is to serve the public courteously, faithfully and efficiently.

A great responsibility and duty rest upon the railroad employees of the United States. Upon their loyalty, efficiency and patriotism depends in large part America's success and the overthrow of the Kaiser and all that he represents. Let us not fail to measure up to our duty and to the just demand of the public that railroad service shall not only be efficient, but that it shall always be courteously administered.

W. G. McADOO,
Director General of Railroads.

GENERAL ORDER No. 41.

WASHINGTON, August 28, 1918.

REGULATIONS GOVERNING DISPOSITION OF INTER-ROAD FREIGHT CLAIMS FOR LOSS AND DAMAGE.

The following regulations will govern carriers under Federal control in investigating, paying, and accounting for freight claims for loss and damage arising during Federal control. They will not affect the distribution of settlements involving any road not under Federal control nor the distribution of claims clearly applicable to the period prior to Federal control.

1. *Presentation of claims.*—Effective September 1st, 1918, claims for loss of or damage to freight shall, except as modified in this paragraph, be presented to and settled by the destination or initial carrier. Claims filed with an intermediate carrier, through error, shall be immediately transmitted to the destination carrier and claimant so advised. An intermediate carrier clearly at fault may invite and adjust claims direct. Claims for fire or marine losses shall be referred for adjustment to the carrier responsible, and claimant so advised.
2. *Papers necessary to support claims.*—Claims for loss of or damage to freight shall be made on the standard forms approved by the Interstate Commerce Commission. In the

- case of loss or damage, they shall be supported by original bill of lading, if not previously surrendered to carrier, original paid freight receipt, if issued, original or certified copy of invoice of value and all obtainable facts in proof of such loss or damage and the value thereof. If any necessary document is lost or destroyed, claimant shall file a bond of indemnity to cover.
- 3. *Method of adjustment.*—The foregoing provisions having been complied with, loss and damage claims shall be adjusted with the claimant in accordance with the established legal liability, bill of lading, tariff provisions, and Federal regulations, by the carrier to which presented for the account of and without reference to the other carriers interested in the haul, before the completion of other investigations necessary for the purpose of locating responsibility or apportioning the amount paid.
- 4. *Car-seal records.*—Investigation for development of car-seal records in connection with the apportionment of claims between carriers shall be discontinued.
- 5. *Loss or damage definitely located.*—Claims for loss or damage definitely located, the legal liability for which has been established and payment made, shall be charged direct to carrier or carriers responsible therefor.
- 6. *Loss or damage unlocated.*—Claims for unlocated loss or damage, the legal liability for which has been established and payment made, shall be apportioned to interested carriers on mileage basis, with minimum of ten miles for any carrier.
- 7. *Claims involving litigation.*—Law expenses, including court costs, incurred in connection with the defense of an action where recovery is had, shall be apportioned among the carriers involved on the same basis as the claim. In the event there is no recovery, the law expenses shall be apportioned between the carriers interested on a mileage basis, minimum ten miles for any carrier, and subject to Paragraph 8, Minimum Debits.
- 8. *Minimum debits.*—Except as provided in Paragraph 5 hereof, the entire amount of any individual loss and damage claim shall be absorbed by the settling carrier, unless the amount chargeable against all other carriers under Federal control in interest exceeds five dollars (\$5.00). Proportions less than one dollar (\$1.00) against any one carrier shall, however, be absorbed by the settling carrier.

9. *Settlement between carriers.*—On or before the tenth day of each month, paying carrier shall render a statement of amount due from each debtor carrier showing thereon the claim number, points between which shipment moved over debtor line, waybill reference and date, commodity, nature of claim, and amount. The total amount of such statement shall be accepted by debtor carrier as final, except if it be found that an amount was included in statement in error, or a manifest clerical error, adjustment shall be made therefor in the subsequent statement, as prescribed in General Order No. 30. Manifest errors in claim payments should be brought to the attention of the debiting carrier.
10. *Monthly statements.*—Separate monthly statements shall be rendered for liabilities which were incurred prior to January 1st, 1918, and for liabilities which were incurred subsequent to December 31st, 1917. In no case shall a single statement include both prior and subsequent liabilities. Such statements rendered against debit carriers should be forwarded through the proper accounting officer of the carrier by whom they are prepared.
11. *Method of payment.*—Loss and damage freight claims shall be audited and paid on regularly audited vouchers in same manner as other operating expenses are vouchered. Such vouchers shall be approved for audit by the Freight Claim Agent, and for payment by or under the direction of the officer designated to approve vouchers for payment. Provided, however, loss and damage freight claims may be paid by drafts drawn upon the Federal or Local Federal Treasurer having jurisdiction within the same limitations which are now in effect and authorized by the officer in charge of such authorization.
12. *Custody of claim papers.*—Claim papers shall remain in possession of paying carrier, except that where individual claims are charged in full to another carrier, the papers may be sent to such carrier upon request. When documents supporting either paid or unpaid claims leave possession of carrier, they shall be plainly stamped with carrier's name and claim number.
13. *Notations of exceptions on waybills.*—Loss or damage discovered at any point in transit shall be specifically noted on face of waybill, dated and signed in name of Agent, Conductor, or other authorized employee, giving name of carrier responsible, or point where discovered if responsibility is located.
14. *Noting exceptions on paid freight receipts.*—Agents delivering freight to consignee, when shortage or damage is known to

exist, shall make specific notation of extent and nature of the loss or damage on face of original paid freight bill and sign and date such notation in ink. When freight bears external evidence of pilfery or damage at time of delivery, a joint inspection with consignee or his representative shall, when practicable, be made at the delivery station and receipt taken in accordance therewith. Claim for value of freight checking short at destination shall not be paid until inquiry has been made of delivering agent and consignee to ascertain if shortage has since arrived or reached consignee through any source.

15. *Delivery of astray freight.*—Astray freight (freight marked with name and address of consignee, but separated from regular revenue waybill) shall be immediately forwarded to marked destination on standard form of waybill, without charges (copy by mail to destination agent), and such waybill shall bear the notation "Astray Freight—Deliver only on presentation of original bill of lading or original paid freight receipt or other proof of ownership." Destination agent receiving astray freight shall immediately notify consignee to whom marked, and if regular revenue waybill is not received, delivery shall be made on presentation of proof of ownership prescribed and collection of tariff charges from point where shipment originated. Special efforts should be made to establish the ownership of perishable freight, in order to insure prompt delivery.
16. *Freight Claim Association Rules.*—Rules prescribed by the Freight Claim Association, except such as conflict with the regulations herein provided, shall govern all carriers under Federal control until otherwise ordered.

W. G. McADOO,
Director General of Railroads.

GENERAL ORDER No. 42.

[General Order No. 42 and Supplement No. 1 thereto are superseded by General Order No. 48.]

WASHINGTON, August 31, 1918.

To all officers and employees in the railroad service of the United States:

The approaching Federal and State elections, including the primary contests connected therewith, make it both timely and necessary that the attitude of the Director General toward political activity on the part of officers and employees in the railroad service should be clearly stated.

It was a matter of common report that railroads under private control were frequently used for partisan political purposes; that railroad corporations were frequently adjuncts of political machines, and that even sovereign States had been at times dominated by them. Contributions to campaign funds and the skillful and effective coercion of employees were some of the means by which it was believed that many railroads exerted their power and influence in polities. Scandals resulted from such practices, the public interest was prejudiced, and hostility to railroad managements was engendered.

Now that the Government controls and operates the railroads, there is no selfish or private interest to serve, and the incentive to political activity on the part of the railroads no longer exists.

Under Government control there is no inducement to officers and employees to engage in polities. On the contrary, they owe a high duty to the public scrupulously to abstain therefrom.

It is therefore announced as a definite policy of the United States Railroad Administration that no officer, attorney, or employee shall—

1. Hold a position as a member or officer of any political committee or organization that solicits funds for political purposes.
2. Be a delegate to or chairman or officer of any political convention.
3. Solicit or receive funds for any political purpose or contribute to any political fund collected by an official or employee of any railroad or any official or employee of the United States or of any State.
4. Assume the conduct of any political campaign.
5. Attempt to coerce or intimidate another officer or employee in the exercise of his right of suffrage. Violation of this will result in immediate dismissal from the service.
6. Become a candidate for any political office. Membership on a local school or park board will not be construed as a political office. Those desiring to run for political office or to manage a political campaign must immediately sever their connection with the United States Railroad Service.

I am sure that I can count on the loyal cooperation of all officers, attorneys, and employees engaged in the operation of the railroads under Federal control to carry out in letter and spirit the policy here announced. This policy is intended to secure to all of them freedom of action in the exercise of their individual political rights, and, at the same time, to prevent any form of hurtful or pernicious political activity.

Let us demonstrate to the American people that, under Federal control, railroad officers, attorneys, and employees can not be made

a part of any political machine nor be used for any organized partisan or selfish purpose.

Let us set such a high standard of public duty and service that it will be worthy of general emulation.

W. G. McADOO,
Director General of Railroads.

SUPPLEMENT NO. 1 TO GENERAL ORDER NO. 42.

WASHINGTON, D. C., *September 14, 1918.*

(1) It appears that prior to the issuance of General Order No. 42 various railroad officers, attorneys, and employees were elected to political offices and are now holding such offices. In such cases no objection will be raised to the completion of such terms of office. In all other respects, however, General Order No. 42 will apply to such officers, attorneys, and employees.

(2) In cases where prior to the issuance of General Order No. 42 railroad officers, attorneys, and employees had been nominated for political offices or had become candidates locally for such offices, they may continue in railroad employment until the election.

(3) The position of notaries public, members of draft boards, officers of public libraries, and of religious and eleemosynary institutions are not construed as political offices.

W. G. McADOO,
Director General of Railroads.

GENERAL ORDER NO. 43.

WASHINGTON, *September 5, 1918.*

WHEREAS proceedings in garnishment, attachment, or like process by which it is sought to subject or attach money or property under Federal control or derived from the operation of carriers under Federal control under the act of Congress of March 21, 1918, are inconsistent with said act and with the economical and efficient administration of Federal control thereunder; and

WHEREAS such proceedings are frequently commenced, particularly for the garnishment or attachment of amounts payable, or claimed to be payable, as wages or salaries of employees, which practice is prejudicial to the interests of the Railroad Administration in the operation of the lines and systems of transportation under Federal control, and is not necessary for the protection of the rights or the just interests of employees or others; and

WHEREAS if any rules or regulations become necessary to require employees to provide for their just debts, the same will be issued hereafter:

IT IS THEREFORE ORDERED that no moneys or other property under Federal control or derived from the operation of carriers while under Federal control shall be subject to garnishment, attachment, or like process in the hands of such carriers or any of them, or in the hands of any employee or officer of the United States Railroad Administration.

W. G. McADOO,
Director General of Railroads.

GENERAL ORDER No. 44.

WASHINGTON, *September 24, 1918.*

The chief accounting officer in general charge of one or more accounting organizations of the Director General shall be designated "Federal Auditor." The chief accounting officer in charge of an accounting organization under the Federal Auditor shall be designated "Auditor."

Federal Auditors and Auditors ought not to perform any services for a railroad corporation, except in special cases after obtaining express authority.

W. G. McADOO,
Director General of Railroads.

GENERAL ORDER No. 45.

WASHINGTON, *October 5, 1918.*

On the recommendation of the Committee on Transportation of the American Railway Association the following instructions, in connection with changing the hands of the clocks and watches on Sunday, October 27, 1918, at 2 a. m., as provided in the Federal law "To Save Daylight and to Provide Standard Time for the United States," are hereby issued:

First: At 2 a. m., present Standard Time, Sunday, October 27, 1918, all clocks and watches in train dispatchers' offices, and in all other offices open at that time, must be turned back one hour, to indicate 1 a. m.

Employees in every open office must, as soon as the change has been made, compare time with the train dispatcher. Clocks and watches in all offices at the first opening, at or after the time the change becomes effective, must be turned back to conform to the new Standard Time, and employees, before assuming duties in such offices, must, after the change is made, compare time with the train dispatcher.

Second: Each railroad will issue necessary instructions and arrange for such supervision and check of the watches of its employees as

to insure that they have been properly changed to conform to the new Standard Time.

Third: Regular trains must be held to conform to schedules after change in time.

Fourth: Owing to the varying conditions which will prevail on the railroads of the United States, it is not advisable to issue a uniform rule or order to cover other details involved in the movement of trains at the period the change in Standard Time becomes effective. Therefore, each railroad must adopt such measures as may be necessary to properly safeguard the movement of its trains on the road at the time of the change.

W. G. McAdoo,
Director General of Railroads.

GENERAL ORDER No. 46.

WASHINGTON, *October 5, 1918.*

The records of the Interstate Commerce Commission and the reports of their inspectors show so many instances of violation of Federal statutes for the promotion of safety that it is evident that sufficient attention is not being paid to paragraph 1 of General Order No. 8, of February 21, 1918, reading as follows:

"All acts of Congress to promote the safety of employees and travelers upon the railroads, including acts requiring investigation of accidents on railroads, and orders of the Interstate Commerce Commission made in accordance therewith, must be fully complied with. These acts and orders refer to hours of service, safety appliances, and inspection."

Enforcement of the provisions of this paragraph will be placed under the direction of Assistant Director of the Division of Operation, Frank McManamy, who will receive reports of such violations and handle them either with the Regional Directors or direct, if found necessary.

All necessary investigations in connection therewith will be conducted by the Assistant Director of Operation and reports of such violations will be sent to Regional Directors for correction and not for further investigation.

W. G. McAdoo,
Director General of Railroads.

GENERAL ORDER No. 47.

WASHINGTON, *October 5, 1918.*

REPAIRS TO EQUIPMENT.

The following regulations shall govern the determination of costs and the compilation and rendition of bills by one carrier under Fed-

eral control against another carrier under such control for repairs to equipment actually made on and after October 1, 1918. Bills for repairs actually made prior to that date shall be compiled and rendered and the costs for such repairs shall be determined as heretofore.

REPAIRS TO CARS.

(1) The cost to repair freight and passenger train cars and work equipment shall be borne and included in the operating expenses of the carrier which, under the rules and practices, applicable at the time repairs are made, may be responsible for such repairs.

(2) The cost of repairs made by any carrier to its own cars or to cars of another carrier for which it the repairing carrier is responsible shall be based upon actual applied material and labor costs plus a proper proportion of "shop expenses," as prescribed by the rules of the Interstate Commerce Commission or which may hereafter be prescribed.

(3) If the cost of repairs made to cars by one carrier be chargeable to another carrier such costs shall be based on the rules prescribed by the Master Car Builders' Association which were applicable at the time such repairs were made. Details in support of such repair costs shall be prepared as heretofore.

(4) There shall be compiled monthly, from the detail record referred to in the preceding paragraph, one statement against each carrier under Federal control for the repair costs chargeable to it. Such monthly statements shall be made in duplicate and shall show separately for freight train cars, passenger train cars, and work equipment:

(a) Total cars repaired.

(b) Total labor costs including shop expense costs.

(c) Total material costs including handling and other costs chargeable to material.

(d) Added per cent.

(e) Total costs.

(5) The originals of such statements shall be rendered to and accepted by debtor carriers as rendered, in accordance with the provisions of General Order No. 20.

(6) The duplicates of such statements shall be attached to the detail data from which they are made and retained by the carrier making the repairs.

REPAIRS TO LOCOMOTIVES.

(7) The provisions of paragraphs (1) and (2) of this order with respect to repairs of cars shall in like manner apply to repairs of locomotives.

(8) The costs for repairing locomotives of one carrier under Federal control or for account of another carrier under such control shall be determined in the following manner:

(a) To the cost of all applied material there shall be added fifteen (15) per cent to cover cost of handling.

(b) To the cost of all applied labor there shall be added ten (10) per cent to cover accounting and other incidental costs.

(c) Proportion of shop expense costs.

(d) The aggregate of all such costs shall represent the amount to be charged for the repairs.

(9) Details comprising such repair costs shall be compiled and kept by the repairing carrier, from which monthly statements in duplicate shall be prepared against the carrier responsible for such costs. Such statements shall show the repair costs for each individual locomotive stated in the following detail:

(a) Total labor costs.

(b) Total material costs.

(c) Shop costs.

(d) Added per cent for labor.

(e) Added per cent for material.

(f) Total cost.

(10) The originals of such statements shall be rendered to and accepted by debtor carriers as rendered, in accordance with the provisions of General Order No. 20. Duplicates shall be attached to the detail data from which they are made and retained by the carrier making the repairs.

ADDITIONS AND BETTERMENTS COSTS.

(11) If additions and betterments be made by one carrier under Federal control to the equipment of another carrier under such control, the owning carrier shall be billed by the carrier making the improvements for the costs thereof. Such bill shall show the kind and class of equipment, the initial and number thereof, as well as such details as to specifications and costs as may be necessary to enable the owning carrier to make proper record of the improvement. Bills for such costs shall be subject to check and verification by the owning carrier. Bills for additions and betterments costs shall not be included with bills for repair costs.

(12) If, in repairing a unit of equipment, a change in the standard established by the owner be made such as substitution of parts, advice of such change shall be given the owner.

EQUIPMENT DESTROYED.

(13) If a unit of equipment of one carrier under Federal control be destroyed on the line of another carrier under such control, advice

of such destruction shall be promptly given to the owning carrier by the carrier on whose line the unit was destroyed. Upon receipt of such advice the owning carrier shall bill the destroying carrier therefor, in accordance with Master Car Builders' Association rules as now in effect, or as may hereafter be prescribed.

MATERIALS FURNISHED BY ONE CARRIER TO ANOTHER.

(14) Material furnished by one carrier under Federal control to another carrier under such control for use in repairing or improving the equipment of the owning carrier shall be billed by the carrier furnishing it and paid for by the repairing carrier at costs at which the material is carried in the accounts of the owning carrier plus actual out-of-pocket handling or shipping costs. Such material shall be taken into the accounts of the carrier to which it is furnished at such billed costs, to which shall be added freight and other handling costs actually incurred by the receiving carrier. The costs thus determined shall be used as a basis for determining the cost of material used in such repairs or improvements.

(15) Bills for material furnished as prescribed in the preceding paragraph shall be made in detail. They shall be subject to check and reclamation or rejection by the debtor carrier in respect to damage or shortage.

(16) Bills for repairs to equipment for which private owners or carriers not under Federal control (including Canadian and Mexican railroads) are responsible shall, unless and until otherwise ordered, be made and rendered as heretofore in accordance with Master Car Builders' rules applicable at the time such repairs are made.

(17) Bills for repairs to equipment made by carriers not under Federal control against carriers under such control shall be tested, verified, and paid by the carrier responsible for such repairs as heretofore.

(18) The provisions of this order in respect to the rendition of monthly statements shall take effect on October 1, 1918, and shall apply only to repairs actually made on and after that date. Bills for repairs made prior to that date shall be rendered as heretofore.

W. G. McAdoo,
Director General of Railroads.

GENERAL ORDER No. 48.

Washington, October 22, 1918.

This Order is issued in lieu of and as a substitute for General Order No. 42 and Supplement No. 1 thereto.

The issuance of General Order No. 42 was for the purpose of extending to officers, attorneys and employees in the Railroad Service of the United States substantially the same regulations as to political activity which have been applied for many years through Civil Service Laws and Executive and Departmental Orders and Regulations to other employees of the United States. These laws, orders and regulations conform to a wise policy which has long had the support of the people of the United States regardless of political parties. Since the Government has taken control of the railroads and their former officers, attorneys and employees have become public servants, it is necessary that the same policy as to political activity be extended to them as to other employees of the United States. As employees of the Government, they cannot be properly exempted from the policy applied to other Government employees.

It has developed, however, since General Order No. 42 was issued, that there are many communities in the United States which are composed largely, and in some respects almost wholly, of railroad employees and their families, and that the proper civil administration of such communities makes its necessary that railroad employees should hold municipal offices. It is clear that in such cases exceptions should be made. Such exceptions have been made by the Government in other cases (such as Navy Yards in certain localities) where the population consisted wholly or in large part of Government employees and where it was necessary for proper administration of civil affairs such Government employees should hold local political offices.

It has, therefore, been determined to permit railroad employees to hold municipal offices in the communities in which they live, provided they do not neglect their railroad duties as a result thereof, and also to limit Section (2) to a prohibition against railroad employees acting as chairmen of political conventions or using their positions in the Railroad Service of the United States to bring about their selection as delegates to political conventions, in order to harmonize said Section (2) with existing Civil Service Rules and Departmental Regulations.

It is, therefore, ordered that no officer, attorney or employee shall—

1. Hold a position as a member or officer of any political committee or organization that solicits funds for political purposes.
2. Act as chairman of a political convention or use his position in the Railroad Service of the United States to bring about his selection as a delegate to political conventions.
3. Solicit or receive funds for any political purpose or contribute to any political fund collected by an official or employee of

any railroad or any official or employee of the United States or any State.

4. Assume the conduct of any political campaign.
5. Attempt to coerce or intimidate another officer or employee in the exercise of his right of suffrage. Violation of this will result in immediate dismissal from the service.
6. Neglect his railroad duties to engage in politics or use his position in the Railroad Service of the United States to interfere with an election. An employee has the right to vote as he pleases, and to exercise his civil rights free from interference or dictation by any fellow employee or by any superior or by any other person. Railroad employees may become candidates for and accept election to municipal offices where such action will not involve neglect on their part of their railroad duties, but candidacy for a nomination or for election to other political office or the holding of such office is not permissible. The positions of notaries public, members of draft boards, officers of public libraries, members of school or park boards, and officers of religious and eleemosynary institutions are not construed as political offices.
7. In all cases where railroad officers, attorneys and employees were elected to political offices prior to the issuance of General Order No. 42, August 31, 1918, they will be permitted to complete their terms of office so long as it does not interfere with the performance of their railroad duties. After the completion of said terms of office, they will be governed by the provisions of this Order.
8. In all cases where railroad officers, attorneys and employees were nominated for political offices and had become candidates therefor prior to the issuance of General Order No. 42, August 31, 1918, they will be permitted to hold and complete the terms of office to which they may be elected at the general election to be held November, 1918, to the extent that the holding of such offices shall not interfere with the performance of their railroad duties. After the completion of such terms of office, they shall be governed by the provisions of this Order.

Railroad men have given ample proof of their loyalty to their Government. I am confident that they will gladly and patriotically accept now those reasonable Governmental Regulations concerning political activity which their welfare and America's cause demand. They are the same regulations in their general scope and application

as all other Government employees have lived under for many years without the loss of any essential rights and with added dignity to their citizenship.

W. G. McADOO,
Director General of Railroads.

Approved:

WOODROW WILSON.

GENERAL ORDER No. 49.

WASHINGTON, October 23, 1918.

There are presented herewith and made a part of this General Order, samples of standard forms of monthly ticket and excess baggage reports, upon which all accounting transactions with respect to the sale of passage and excess baggage tickets, shall be reported by agents to the Accounting officers having jurisdiction, also a form for reporting Transportation Requests exchanged for tickets.

All tickets sold, or exchanged, on and after November 1, 1918, shall be reported on the appropriate forms in such manner as may be directed by the Director of Public Service and Accounting.

The standard forms herein prescribed are reports of:—

Local Ticket Sales

Interline Ticket Sales

Local Excess Baggage Collections

Interline Excess Baggage Collections

Transportation Requests exchanged for tickets.

For use at smaller stations, half size report forms for Interline Ticket Sales, and Interline Excess Baggage Collections may be used.

The printing and ruling on the report forms shall be a facsimile of the samples herewith presented; provided, however, the name of the individual carrier shall be substituted for the designation "North and South Railroad" as shown on the sample forms. When advantageous to do so, the name of the carrier may be omitted. Provided further that each carrier may print destinations, rates, and other similar data calculated to aid in compilation and accounting.

With the inauguration of these standard forms of monthly reports, all other reports of such transactions shall be discontinued, provided that special periodical reports of tickets furnished Governmental Departments, or other reports of a special nature necessary for accounting purposes, may be compiled and furnished.

The monthly reports herein prescribed shall be made in duplicate, either by carbon or press copy process; originals shall be forwarded to the proper accounting officer having jurisdiction; duplicates shall be retained by agents.

Distinctive colors shall be used for the two classes of reports; that is, forms for reporting local ticket sales and local excess baggage collections shall be printed on paper of light canary color, and forms for reporting interline ticket sales and interline excess baggage collections shall be printed on white paper, provided, however, that the color scheme may be disregarded in connection with the duplicate forms to be retained by agents.

These reports shall be introduced at the Consolidated Ticket Offices on date named, and at all other agencies as soon as stock of forms at present in use becomes exhausted, but in any event not later than January 1, 1919.

W. G. McAdoo,
Director General of Railroads.

GENERAL ORDER No. 50.

WASHINGTON, October 28, 1918.

WHEREAS by the Proclamations dated December 26, 1917, and April 11, 1918, the President took possession and assumed control of systems of transportation and the appurtenances thereof, and appointed the undersigned, William G. McAdoo, Director General of Railroads, and provided in and by said Proclamations that "until and except so far as said Director shall from time to time otherwise by general or special orders determine, such systems of transportation shall remain subject to all existing statutes and orders of the Interstate Commerce Commission and to all statutes * * * but any orders, general or special, hereafter made by said Director shall have paramount authority and be obeyed as such"; and

WHEREAS the Act of Congress, called the Federal Control Act, approved March 21, 1918, provided that "carriers while under Federal control shall be subject to all laws and liabilities as common carriers, whether arising under State or Federal laws or at common law, except in so far as may be inconsistent with the provisions of this Act or any other Act applicable to such Federal control, or with any order of the President"; and

WHEREAS since the Director General assumed control of said systems of transportation, suits are being brought and judgments and decrees rendered against carrier corporations on matters based on causes of action arising during Federal control for which the said carrier corporations are not responsible, and it is right and proper that the actions, suits and proceedings hereinafter referred to, based on causes of action arising during or out of Federal control should be brought directly against the said Director General of Railroads and not against said corporations:

REPORT OF LOCAL TICKET SALES

NORTH AND SOUTH RAILROAD

At..... Agent

Remarks and Authorities m't'n	Destination			Fare	Amount											
	Num-ber	Void	13	14	15	16	17									
1							1									
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8							8									
9							9									
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Each Individual Sheet must bear a Separatorm No. AC-501, approved October 23, 1918.

Standard size, 14 by 17 inches. Figures in
Horizontal faint-line ruling to be one-fourth

Form No.
(To be Inserted by Individual Carrier)

UNITED STATES RAILROAD ADMINISTRATION

W. G. McADOO, Director General of Railroads

Sheet No.
of....Sheets

REPORT OF LOCAL TICKET SALES

At..., ..., (Station No.), for the month of..., 191...,

NORTH AND SOUTH RAILROAD

... APRIL

Remarks and Authorities 1	Destination 2	Stab 3	Route 4	Tickets Issued				Individual Numbers of Passenger or Blank Passenger Tickets Issued and Void Tickets 5	Number Sold to Each Destination					Fare 16	Amount 17	
				Form 6	Com. No. 7	Clos. No. 8	Total No Issued 9		Attn 10	H.A.P 11	L. T 12	From to 13	Num 14			
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Each Individual Sheet must bear a Separate Total and a Recapitulation made on the last sheet.

Standard size, 14 by 17 inches. Figures in center of columns give the approximate width of column in inches.
Horizontal line rule to be one-fourth inch apart. Every fifth faint line and one above total to be heavy.

Form No.
(To be Inserted by Individual Carrier)

REPORT OF INTERLINE TICKET

Λ

NORTH AND SOUTH RAILROAD

of Sheets

NORTH AND SOUTH RAILROAD

Agent

This Space Used in Auditor's Office for Binding

Each Individual Sheet must bear a Separate

Standard size, 14 by 17 inches. Figures in ccm No. AC-502, approved October 23, 1918.
Horizontal faint-line ruling to be one-fourth C. A. PROUTY.

105889°—19. (To face page 334.) No

Form No.
(To be Inserted by Individual Carrier)

UNITED STATES RAILROAD ADMINISTRATION

W. G. McAbie, Director General of Railroads

Sheet No.
of Sheets

REPORT OF INTERLINE TICKET SALES

At....., ... Month of
(Station No.)

... 191....

NORTH AND SOUTH RAILROAD
Agent

Remarks and Authorities 1	Routes of Skeleton Tickets and Exchange Orders 2	Individual Numbers of Tickets Sold and Void Tickets 3	Destination 4	State 5	Junction Point 6	Form 7	Com. No. 8	Clos. No. 9	CLASS 10		Amount 12
									One Way R. T.	11	
1 st											
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Each Individual Sheet must bear a Separate Total and a Recapitulation made on last sheet

Standard size, 14 by 17 inches. Figures in center of columns give the approximate width of column in inches
Horizontal faint-line ruling to be one-fourth inch apart. Every fifth faint line and line above total to be heavy

100000-19. (To face page 334) No 2

Form No. AC-502, approved October 23, 1918.
C. A. PROUTY.

Form No.
(To be inserted by individual carrier)

UNITED STATES RAILROAD ADMINISTRATION

W. G. MCADOO, Director General of Railroads

Sheet No.

of Sheets

NORTH AND SOUTH RAILROAD

REPORT OF LOCAL EXCESS BAGGAGE COLLECTIONS

At.....(.....) Month of191....
(Station No.).....Agent

Check No.	Destination	State	Dogs, Baby Carriages, Bicycles and Articles Charged for at Other Than Excess Baggage Rates			Excess Baggage Collections		
			Description	Rate per 100 Lbs.	Amount	Excess Weight	Rate per 100 Lbs.	Amount
1	2	3	4	5	6	7	8	9
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3								
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Each individual sheet must bear a separate total and a recapitulation made on last sheet

Form No. AC-503, approved October 23, 1918.

C. A. PROUTY.

Standard size, 8½ by 14 inches. Figures in center of columns give the approximate width of column in inches
Horizontal faint-line ruling to be one-fourth inch apart. Every fifth faint line and line above total to be heavy

Form No.
(To be inserted)

REPORT OF

Form

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This Space Used in Auditor's Office for Binding

Each Individual

Standard size, 11 $\frac{1}{2}$ "
Horizontal faint-lined

105889°—1

REPORT OF INTERLINE EXCESS BAGGAGE COLLECTIONS

At .

... (Station No.) for the Month of

NORTH AND SOUTH RAILROAD

P.R....

Agent

Chkd.	Date	From (City or Station)	To (City or Station)	Route (Lines and Junction Point)	Excess Weight	Date per 100 Lbs.	Amount
Form Number	2	3	4	5	6	7	8
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Each Individual Sheet must bear a Separate Total and a Recapitulation made on last sheet

Standard size, 11½ by 14 inches. Figures in center of columns give the approximate width of column in inches
Horizontal band-line ruling to be one-fourth inch apart. Every fifth faint line and line above total to be heavy

105809*-19 (To be page 31) No 4

Form No. AC-504, approved October 23, 1918.
C. A. BROUETT.

Form No.
(To be inserted by
individual carrier)

UNITED STATES RAILROAD ADMINISTRATION
W. G. McADOO, Director General of Railroads
NORTH AND SOUTH RAILROAD

Sheet No.

REPORT OF TRANSPORTATION REQUESTS EXCHANGED FOR TICKETS

At (.....), for 191....
(Station No.)

Agent

Description of request		Description of ticket					
Number	Department Issuing the Request	Destination	Form	Number	Number of Passengers	Fare	Amount
←— $\frac{7}{8}$ ''→	←—2''→	←— $\frac{7}{8}$ ''→	←— $\frac{5}{8}$ ''→	←— $\frac{3}{4}$ ''→	←— $\frac{1}{2}$ '→	←— $\frac{1}{2}$ ''→	←— $\frac{5}{8}$ ''→

Form No. AC-505, approved October 23, 1918.
C. A. PROUTY.

Standard size, $8\frac{1}{2}$ by 14 inches. Figures in center of columns give the approximate width of column in inches
Horizontal faint-line ruling to be one-fourth inch apart. Every fifth faint line and line above total to be heavy

105889°—19. (To face page 334.) No. 5

It is therefore ordered, that actions at law, suits in equity, and proceedings in admiralty hereafter brought in any court based on contract, binding upon the Director General of Railroads, claim for death or injury to person, or for loss and damage to property, arising since December 31, 1917, and growing out of the possession, use, control or operation of any railroad or system of transportation by the Director General of Railroads, which action, suit, or proceeding but for Federal control might have been brought against the carrier company, shall be brought against William G. McAdoo, Director General of Railroads, and not otherwise; provided, however, that this order shall not apply to actions, suits, or proceedings for the recovery of fines, penalties, and forfeitures.

Subject to the provisions of General Orders numbered 18, 18-A and 26, heretofore issued by the Director General of Railroads, service of process in any such action, suit or proceeding may be made upon operating officials operating for the Director General of Railroads, the railroad or other carrier in respect of which the cause of action arises in the same way as service was heretofore made upon like operating officials for such railroad or other carrier company.

The pleadings in all such actions at law, suits in equity, or proceedings in admiralty, now pending against any carrier company for a cause of action arising since December 31, 1917, based upon a cause of action arising from or out of the operation of any railroad or other carrier, may on application be amended by substituting the Director General of Railroads for the carrier company as party defendant and dismissing the company therefrom.

The undersigned Director General of Railroads is acting herein by authority of the President for and on behalf of the United States of America, therefore no supersedeas bond or other security shall be required of the Director General of Railroads in any court for the taking of or in connection with an appeal, writ of error, supersedeas, or other process in law, equity, or in admiralty, as a condition precedent to the prosecution of any such appeal, writ of error, supersedeas, or other process, or otherwise in respect of any such cause of action or proceeding.

W. G. McAdoo,
Director General of Railroads.

GENERAL ORDER No. 51.

WASHINGTON, November 1, 1918.

The majority of railroads under Federal control have already made announcement with respect to the preservation of seniority rights for employees who have entered the military service of the Army and

Navy, and have indicated that so far as practicable, preference in reemployment or reinstatement would be given to soldiers and sailors when mustered out of the service.

(1) In order that as nearly as practicable there shall be a uniform treatment of this matter, the following general principles will govern:

(a) In the case of an employee having established seniority rights, so far as practicable, and where the employee is physically qualified, he will be restored to such seniority rights.

(b) In the case of employees who do not have seniority rights under existing practices, a consistent effort will be made to provide employment for them when mustered out of military service.

(2) Upon railroads where the assurances given on this subject have been more specific than the provisions of paragraph (1) hereof, such assurances shall be observed.

W. G. McADOO,
Director General of Railroads.

GENERAL ORDER No. 52.

WASHINGTON, November 8, 1918.

It is hereby ordered that the following rules and regulations shall be observed and shall govern the recording of and accounting for all transactions of the hereinbelow described Carriers by Water under Federal control, which arise during such control.

1. For accounting purposes, Federal control of Carriers by Water, owned, controlled or operated by Railroads began as of 12:01 a. m. January 1, 1918, and of Carriers by Water specified in General Order #19, not so owned, controlled or operated as of 12:01 a. m. April 13, 1918. Immediate steps shall be taken by each Carrier by Water subject thereto, to open new and separate books of accounts such as cash books, general and subsidiary ledgers and journals, and all supporting and subsidiary books and records incident thereto, upon which shall be recorded all transactions which arise under and are incident to Federal control, on and after the dates above mentioned. Such books shall be designated and are hereinafter referred to as Federal books. Reference made hereinafter to "December 31, 1917 or April 12, 1918," is intended to designate the date corporate control terminated and the appropriate date applying to the carrier by water at interest shall be used in each case. The reference hereinafter to "January 1, 1918 or April 13, 1918" is intended to indicate the date when Federal control began and the appropriate date shall be used in each such case by the carrier by water at interest.

2. The totals of the Accounts, Cash and such working funds as may be in the hands of agents, appearing on the Corporation books

at the end of corporate control, that is, as of December 31, 1917 or April 12, 1918, as the case may be, shall be transferred to the Federal books debited to the accounts of the same titles and credited to a Deferred Liability Account styled " (name of corporation) cash, (December 31, 1917 or April 12, 1918)." On the Corporate books, the amount of such balance should be transferred to a Deferred Asset Account styled "U. S. Government-Cash (December 31, 1917 or April 12, 1918)." All cash transactions subsequent to (December 31, 1917 or April 12, 1918) relating to operations prior or subsequent thereto, shall be recorded in the Federal cash book opened as of (January 1, 1918 or April 13, 1918).

3. The total of Accounts Net Balance Due from Agents, including working funds in their hands, Pursers and Stewards appearing on the Corporation's books as of (December 31, 1917 or April 12, 1918) shall be transferred to the Federal books, debited to an account of the same title and credited to a Deferred Liability Account styled "(name of Corporation) Agents, Pursers and Stewards, (December 31, 1917 or April 12, 1918)." On the Corporation books the amount of such balance should be transferred to a Deferred Asset Account styled "U. S. Government-Agents, Pursers and Stewards Balances, (December 31, 1917 or April 12, 1918)."

4. The total of the several accounts appearing on the Corporation books under caption "Materials and Supplies," as of (December 31, 1917 or April 12, 1918), shall be transferred to the Federal books, debited to accounts of the same titles and credited to a Deferred Liability Account styled "(name of corporation) Materials and Supplies, (December 31, 1917, or April 12, 1918)." On the Corporate books the amount of such balance should be transferred to a Deferred Asset Account styled "U. S. Government—Materials and Supplies, (Dec. 31, 1917 or April 12, 1918)."

5. In addition to the assets above specified, there shall likewise be transferred to the Federal books and similarly recorded therein, such other working assets appearing on the books of the corporation as of (December 31, 1917 or April 12, 1918), as may be mutually agreed upon between the Director General of Railroads and the Corporation.

6. There shall be currently entered upon such Federal books, in the manner and under the rules and regulations prescribed by the Interstate Commerce Commission, or which may hereafter be prescribed, all transactions involving Revenues, Expenses, Taxes, Rentals and such other items as are used in determining the Water Line operating income under Federal control. Such entries shall include corresponding Assets and Liabilities and the cash settlement thereof, also all transactions involving "Materials and Supplies subsequent to (December 31, 1917 or April 12, 1918)."

7. Transactions of the Corporation including those arising out of cash receipts or disbursements, which do not affect or enter into and form a part of the Water Line operating income under Federal control, such as Interest and Dividends received and paid, and other similar Corporate transactions, including Additions, and Betterments to Floating Equipment and Terminal Property, shall not be recorded on or passed through the Federal books, unless such transactions be negotiated and conducted for account of the Corporation by or under the direction of the Director General. Where such transactions are negotiated and conducted by or under the direction of the Director General, the transactions shall be recorded on the Federal books, but credited or charged to an account styled " (name of corporation) Corporate Transactions." Concurrently corresponding entries should be made on the Corporate books, charging or crediting the accounts prescribed by the Interstate Commerce Commission or which may hereafter be prescribed: the Offset being in an account styled " U. S. Government—Corporate Transactions." Where Additions and Betterments are made to Floating Equipment or Terminal Property by or under the direction of the Director General, the expenditures shall be charged on the Federal books to a Deferred Asset Account styled "(name of corporation) Additions and Betterments." Concurrently entries should be made on the Corporate books, charging the appropriate accounts and crediting a Deferred Liability Account styled " U. S. Government—Additions and Betterments."

8. Current or operating assets other than those prescribed in paragraphs 2, 3, 4, and 5 hereof, such as " Traffic Balances Owed by Other Companies," " Balances Due from Individuals and Companies," and such assets as are carried under the caption " Miscellaneous Accounts Receivable," and Liabilities such as " Audited Vouchers and Wages Unpaid," " Traffic Balances Owed to Other Companies," and " Miscellaneous Accounts Payable," which were due to or by the Corporation as of (December 31, 1917 or April 12, 1918), shall not be transferred in detail to the Federal books, but as and when such assets are collected or the liabilities are paid, they shall be credited or debited as the case may be on the Federal books, to a Deferred Liability Account styled "(name of Corporation) Assets, (December 31, 1917 or April 12, 1918) Collected" or to a Deferred Asset Account styled "(name of corporation) Liabilities (December 31, 1917 or April 12, 1918), Paid." There should be made concurrently on the Corporate books corresponding entries debiting and crediting the U. S. Government with assets collected and liabilities paid.

9. Transactions relating to operations as defined in paragraph No. 6 hereof, if not previously accrued, shall be included in and form

a part of the operating results of each Carrier by Water under Federal control regardless of the date thereof. Items clearly applicable to the period prior to (January 1, 1918 or April 13, 1918), commonly called "lap-overs" shall be ascertained currently and set up on the Federal books and included in the appropriate accounts as heretofore. At the end of each month the total of the "lap-over" credit items shall be charged to an Unadjusted Debit Account styled "Revenue Prior to (January 1, 1918 or April 13, 1918)" and credited to a Deferred Liability Account styled "(name of corporation) Revenue Prior to (January 1, 1918 or April 13, 1918)". The total of "lap-over" debit items shall be credited to an Unadjusted Credit Account styled "Expenses Prior to (January 1, 1918 or April 13, 1918)" and charged to a Deferred Asset Account styled "(name of corporation) Expenses Prior to (January 1, 1918 or April 13, 1918)". Operating Revenues which have been accrued currently in accordance with the established practice of the Carriers by Water shall be considered as current revenues and not as "lap-over" items. All sailings prior to midnight (December 31, 1917 or April 12, 1918), and all revenues and expenses applicable thereto shall be considered as revenues and expenses of the Corporation or previous operator and if such transactions be concluded by the Federal interests such items shall be considered as "lap-overs" and handled in the accounts accordingly. All revenues and expenses applicable to sailings after midnight of the dates mentioned as the case may be, shall be considered revenues and expenses of the Director General. If during the month of April, 1918, expenses be incurred on a monthly basis, which cannot be directly assigned to an individual vessel or to the period either prior or subsequent to April 12, 1918, such as general expenses, overheads, etc., such expenses for convenience of accounting shall be assigned 12/30ths or 40% to the corporate interests and 18/30ths or 60% to the Federal interests; the same principle should apply to apportionment of revenues of a similar character accrued during the month of April, 1918.

10. The Accounts between the U. S. Government and the Corporation for which provision is made herein shall be adjusted in such manner as may be hereafter mutually agreed upon.

11. Inquiries as to interpretations and application of the provisions of this order and the procedure to be observed under its requirements, shall be addressed to the Director of Public Service and Accounting, Washington, D. C.

W. G. McADOO.
Director General of Railroads.

GENERAL ORDER No. 53.

WASHINGTON, November 13, 1918.

Whereas certain of the railroads now under control of the Director General have in existence at this time agreements with the Order of Railroad Telegraphers, Switchmen's Union of North America, Brotherhood of Railway Clerks, and United Brotherhood of Maintenance-of-Way Employees which provide for basis of compensation and regulations of employment; and

Whereas in existing circumstances it is the duty of both officers and employees of the railroads under Federal control promptly and equitably to adjust any controversies which may arise, thereby eliminating misunderstandings which tend to lessen the efficiency of the service.

IT IS HEREBY ORDERED, That the basis arrived at in the annexed understanding between Messrs. A. H. Smith, C. H. Markham, R. H. Aishton, Hale Holden, B. F. Bush, B. L. Winchell and N. D. Maher, Regional Directors, representing the railroads in their respective regions, which now have, or may hereafter have such schedules or agreements with the chief executive officers of the Order of Railroad Telegraphers, Switchmen's Union of North America, Brotherhood of Railway Clerks, and United Brotherhood of Maintenance-of-Way Employees, be and the same is hereby, adopted and put into effect as of November 12, 1918.

W. G. McADOO,

Director General of Railroads.

Memorandum of an Understanding between Messrs. A. H. Smith, C. H. Markham, R. H. Aishton, Hale Holden, B. F. Bush, B. L. Winchell, N. D. Maher, Regional Directors, representing the railroads in their respective regions, and Mr. H. B. Perham, President, Order of Railroad Telegraphers; Mr. S. E. Heberling, President, Switchmen's Union of North America; Mr. J. J. Forrester, President, Brotherhood of Railway Clerks; Mr. A. E. Barker, President, United Brotherhood of Maintenance-of-Way Employees.

IT IS UNDERSTOOD, That all controversies growing out of the interpretation or application of the provisions of the wage schedules or agreements which are not promptly adjusted by the officials and the employees on any one of the railroads operated by the Government shall be disposed of in the following manner:

1. There shall be at once created a commission, to be known as Railway Board of Adjustment No. 3, to consist of 8 members. 4 to be selected by the said regional directors and compensated by the

railroads, and one each by the chief executive officer of each of the 4 organizations of employees hereinbefore named and compensated by such organizations.

2. This Board of Adjustment No. 3 shall meet in the city of Washington within 10 days after the selection of its members and elect a chairman and vice chairman, who shall be members of the board. The chairman or vice chairman will preside at meetings of the board and both will be required to vote upon the adoption of all decisions of the board.

3. The board shall meet regularly at stated times each month, and continue in session until all matters before it are considered.

4. Unless otherwise mutually agreed, all meetings of the board shall be held in the city of Washington: *Provided*, That the board shall have authority to empower two or more of its members to conduct hearings and pass upon controversies, when properly submitted at any place designated by the board: *Provided further*, That such subdivision of the board will not be authorized to make final decision. All decisions shall be made and approved by the entire board, as herein provided.

5. Should a vacancy occur in the board for any cause, such vacancies shall be immediately filled by the same appointive authority which made the original selection.

6. (Article 6 left blank in this memorandum because Article 6 for Railway Board of Adjustment No. 1 refers to matters pertaining to the Commission of Eight. In order that all other articles in this Memorandum of Understanding may bear the same numbers as similar articles for Railway Board of Adjustment No. 1. Article 6 has been left blank.)

7. The Board of Adjustment No. 3 shall render decisions on all matters in dispute as provided in the preamble hereof, and when properly submitted to the board.

8. The broad question of wages and hours will be considered by The Board of Railroad Wages and Working Conditions, but matters of controversies arising from interpretations of wage agreements, not including matters passed upon by The Board of Railroad Wages and Working Conditions, shall be decided by the Railway Board of Adjustment No. 3, when properly presented to it.

9. Wages and hours, when fixed by the Director General, shall be incorporated into existing agreements on the several railroads, and should differences arise between the management and the employees of any of the railroads as to such incorporation, such questions of difference shall be decided by the Railway Board of Adjustment No. 3, when properly presented, subject always to review by the Director General.

10. Personal grievances or controversies arising under interpretation of wage agreements, and all other disputes arising between officials of a railroad and its employees, covered by this understanding, will be handled in their usual manner by general committee of the employees up to and including the chief operating officer of the railroad (or some one officially designated by him), when, if an agreement is not reached, the chairman of the general committee of employees may refer the matter to the chief executive officer of the organization concerned, and if the contention of the employees' committee is approved by such executive officer, then the chief operating officer of the railroad and the chief executive officer of the organization concerned shall refer the matter, with all supporting papers, to the Director of the Division of Labor of the United States Railroad Administration, who will in turn present the case to the Railway Board of Adjustment No. 3, which board shall promptly hear and decide the case, giving due notice to the chief operating officer of the railroad interested and to the chief executive officer of the organization concerned of the time set for hearing.

11. No matter will be considered by the Railway Board of Adjustment No. 3 unless officially referred to it in the manner herein prescribed.

12. In hearings before the Railway Board of Adjustment No. 3, in matters properly submitted for its consideration, the railroad shall be represented by such person or persons as may be designated by the chief operating officer, and the employees shall be represented by such person or persons as may be designated by the chief executive officer of the organization concerned.

13. All clerical and office expenses will be paid by the United States Railroad Administration. The railroad directly concerned and the organization involved in a hearing will, respectively, assume any expense incurred in presenting a case.

14. In each case an effort should be made to present a joint concrete statement of facts as to any controversies, but the board is fully authorized to require information in addition to the concrete statement of facts, and may call upon the chief operating officer of the railroad or the chief executive officer of the organization concerned for additional evidence, either oral or written.

15. All decisions of the Railway Board of Adjustment No. 3 shall be approved by a majority vote of all members of the board.

16. After a matter has been considered by the board, and in the event a majority vote can not be obtained, then any six members of the board may elect to refer the matter upon which no decision has been reached to the Director General of Railroads for a final decision.

17. The Railway Board of Adjustment No. 3 shall keep a complete and accurate record of all matters submitted for its consideration and of all decisions made by the board.

18. A report of all cases decided, including the decision, will be filed with the Director, Division of Labor of the United States Railroad Administration, with the chief operating officer of the railroad affected, the several regional directors, and with the chief executive officers of the organizations concerned.

19. This understanding shall become effective upon its approval by the Director General of Railroads and shall remain in full force and effect during the period of the present war, and thereafter, unless a majority of the regional directors, on the one hand, as representing the railroads, or a majority of the chief executive officers of the organizations, on the other hand, as representing the employees, shall desire to terminate the same, which can, in these circumstances, be done on thirty (30) days' formal notice, or shall be terminated by the Director General himself, at his discretion, on thirty (30) days' formal notice.

R. H. AISHTON,	A. H. SMITH,
B. L. WINCHELL,	C. H. MARKHAM,
N. D. MAHER,	B. F. BUSH,
	HALE HOLDEN,

<i>Regional Directors for the Railroads under Government Control.</i>	
H. B. PERHAM, <i>Pres. Order of Ry. Telegraphers.</i>	S. E. HEBERLING, <i>Pres. Switchmen's Union of N. A.</i>
JAS. J. FORRESTER, <i>President Brotherhood of Ry. Clerks.</i>	A. E. BARKER, <i>Pres. United Brotherhood of Maintenance - of - Way Employees and Railroad Shop Laborers.</i>

GENERAL ORDER No. 54.

WASHINGTON, November 13, 1918.

Whereas in Supplement No. 9 to General Order No. 27 the Board of Railroad Wages and Working Conditions were assigned the duty of hearing and investigating matters presented by officers and employees of the American Railway Express Company, or their representative, affecting wages and working conditions; and

Whereas no tribunal has heretofore been created for the adjustment of disputes arising between the American Railway Express Company and its employees other than those affecting wages and working conditions:

IT IS HEREBY ORDERED, That the Division of Labor of the United States Railroad Administration will hear and investigate, and recommend adjustments of any disputes between said Express Company and its employees not affecting wages and working conditions.

Any such dispute shall be transmitted to the Director of the Division of Labor, in accordance with procedure established by him, being substantially as follows:

Personal grievances or controversies will be handled in the usual manner by the individual, his representative, or by committees of employees, up to and including the chief operating officer of the American Railway Express Company, or officer designated by him, when, if an agreement is not reached, the individual, his representative or the chairman of his Committee and the officer of the Express Company will refer the matter to the Director of the Division of Labor.

A complete statement of the cause of complaint will be filed with the Director of the Division of Labor. When an adjustment is not reached through correspondence, a representative will be assigned to investigate, and if by his assistance no agreement is then reached, the matter in controversy will be referred again to the Director of the Division of Labor.

General Order No. 8, issued February 21, 1918, shall also be applicable to employees of the American Railway Express Company, except where the text of same is clearly not applicable. Especial attention is directed to Article 5 of General Order No. 8, as follows:

No discrimination will be made in the employment, retention, or conditions of employment of employees because of membership or nonmembership in labor organizations.

Now that a proper method has been established for the adjustment of controversies there is no longer any occasion or excuse for employees of the Express Company adopting other methods for securing what they believe is just treatment. I quote from General Order No. 8 as follows, and urge that the officials and employees of the American Railway Express Company be governed thereby:

There must be cooperation, not antagonism; confidence, not suspicion; mutual helpfulness, not grudging performance; just consideration, not arbitrary disregard of each other's rights and feelings; a fine discipline based on mutual respect and sympathy; and an earnest desire to serve the great public faithfully and efficiently. This is the new spirit and purpose that must pervade every part and branch of the national railroad service.

W. G. McADOO,
Director General of Railroads.

GENERAL ORDER No. 55.

COLLECTION OF TRANSPORTATION CHARGES AND DISPOSITION OF OVER-CHARGES, UNDERCHARGES, AND AGENCY RELIEF CLAIMS.

WASHINGTON, November 14, 1918.

The following regulations shall govern the assessment and collection of transportation and other charges for all services performed by carriers under Federal control; the refund of overcharges, and the collection of undercharges, and also the disposition in the accounts of such carriers of uncollectible undercharges and agency relief claims.

- (1) Officers and agents of carriers under Federal control are required and expected to collect the correct amount due for each service performed, determined or determinable by the application of the lawfully published rate or rates applicable to such services, plus charges for intermediate or terminal service not included in and made a part of such rate or rates, and war taxes applicable to the foregoing.
- (2) They shall continue, or if not already established, institute such methods as may be necessary to insure, as accurately as possible, the correctness of such charges before the collection thereof.
- (3) When the amount of overcharge is determined after collection of charges, refund shall be made on presentation of original freight receipt, and the amount of such refund shall be indorsed on such receipt.
- (4) Formal claims for overcharge presented by claimants shall be prepared on the standard form approved by the Interstate Commerce Commission. They shall be supported by the original paid freight receipt, and if claim is based on weight, misrouting, valuation, etc., by all other obtainable documents or particulars. If the original paid freight receipt can not be presented, claimant's indemnity bond may be required. If overcharge is based on the rate clear, reference shall be shown to the tariff or base in which the rate claimed is published. Such formal claims shall be presented to, and adjusted by, either the initial or the destination carrier. If claims are presented to intermediate carriers, they shall be immediately transmitted to one of those named.

- (5) Claims paid by carriers other than the carrier which collected the freight charges shall, in the discretion of the accounting officer, be sent to such collecting carrier to be registered, in order that duplicate payments may be avoided.
- (6) No apportionment shall be made among carriers of overcharge claims paid, or of agency relief claims covering charges absorbed, such as switching, elevation, transfer charges, terminal delivery charges, icing, cost of grain doors, or other analogous items. This rule does not apply to claims for charges on freight destroyed or confiscated.
- (7) Claims for overcharges which can not be refunded by agents shall be promptly forwarded to the proper officer having jurisdiction. Such officer, upon receipt of such claims, properly supported, shall take immediate steps, consistent with accuracy, to determine the correct charge applicable. If the amount claimed be found correct, or if an overcharge in any amount be found, such amount shall be promptly refunded, and any difference between the amount claimed and the amount refunded clearly explained to the claimant. If the claim be wholly invalid, the claimant shall be notified promptly.
- (8) In the event an undercharge be developed after collection of transportation charges, or in the investigation of a claim or otherwise, the officer or agent having jurisdiction shall promptly prepare a freight bill for such undercharge, upon which bill shall be shown all facts incident to the transaction; and such freight bill shall be promptly presented for collection.
- (9) The duty of collecting such undercharge shall rest with the officer or agent whose duty it is to collect transportation charges, and he shall exhaust every reasonable effort to collect such amounts.
- (10) In the event of failure to make collection of an undercharge, after every reasonable effort has been made to do so, the officer or agent charged with the duty of collecting the undercharge shall promptly transmit the bill therefor, with a statement of all facts incident to his efforts and failure to collect, to the accounting officer having jurisdiction. Appropriate adjustment of the agent's accounts shall be made by station claim or otherwise, according to the established practice of the carrier.

- (11) If the facts presented with such undercharge indicate that every reasonable effort has been made to collect it, appropriate action shall be taken as follows:
- (a) If a bill for an undercharge be for five dollars (\$5.00) or less in any one case, and in the exercise of his business judgment he concludes that further efforts to collect would be futile, the chief accounting officer shall direct that it be charged off.
 - (b) If a bill for an undercharge be for more than five dollars (\$5.00), in any one case, it shall be promptly transmitted by the accounting officer to the chief counsel of the carrier interested, and his recommendations as to its disposition shall be followed.
 - (c) If the party liable for the undercharge can not be located, or service can not be had, or where, upon investigation by counsel in good faith, it is found that legal process would be futile and ineffectual, counsel shall direct the claim to be charged off, and it shall be so disposed of; otherwise, suit shall be entered for its collection.
- (12) All undercharges determined to be uncollectible as prescribed in subparagraphs (a), (b), and (c), of paragraph (11) hereof, shall be borne by the carrier which originally settled the freight charges on the erroneous basis, regardless of the responsibility for such error in settlement.
- (13) In the event that suit be instituted to collect an undercharge, the cost of such suit shall be borne by the suing carrier. If the undercharge be not collected under suit, the amount thereof shall be disposed of as provided in paragraph (12) hereof.
- (14) In the event freight be destroyed or confiscated in transit, so as to preclude the possibility of delivery of the freight or collection of the charges, no part of the freight charges accruing thereon to any participating carrier shall be included in interline accounts. If waybills have been audited and settled before information concerning the destruction or confiscation of the property is available, such waybills shall be made void, and resettled with participating carriers by correction account or through claim channels.

- (15) The provisions of this order shall apply to overcharges, uncollectible undercharges, and to other charges herein referred to, which accrued or which may accrue on and subsequent to January 1, 1918. Settlements which have already been completed on the basis of rules heretofore in effect, shall not be readjusted.

W. G. McADOO,
Director General of Railroads.

GENERAL ORDER No. 56.

WASHINGTON, November 19, 1918.

WHEREAS it has been found and is hereby certified to the Interstate Commerce Commission that in order to defray the expenses of Federal control and operation fairly chargeable to express and railway operating expenses, and also to pay express and railway tax accruals other than war taxes, net rents for joint facilities and equipment, and compensation to the carriers, it is necessary to increase the express operating revenues, and

WHEREAS the public interest requires that a general advance in all express rates and charges on all traffic carried by the American Railway Express Company taken under Federal control under an act of Congress approved August 29, 1916, entitled "An act making appropriations for the support of the Army for the fiscal year ending June thirtieth, nineteen hundred and seventeen, and for other purposes," shall be made by initiating the necessary rates and charges, classifications, regulations and practices, by filing the same with the Interstate Commerce Commission, under authority of an act of Congress approved March 21, 1918, entitled "An act to provide for the operation of transportation systems while under Federal control, for the just compensation of their owners, and for other purposes."

Now, therefore, under and by virtue of the provision of the said act of March 21, 1918, it is ordered that all existing express rates and charges, classifications, regulations and practices, including changes heretofore published but not yet effective, on all traffic carried by said American Railway Express Company, be increased, changed, modified or adopted, effective the first day of January, 1919, to the extent and in the manner indicated herein, by filing schedules with the Interstate Commerce Commission effective on not less than one day's notice.

SECTION 1.

Between points in Zone 1 and between points in Zone 1 and points in all other Zones, the first and second class rates, both interstate

and intrastate, shall be increased three scale numbers. Between points both outside of Zone 1, the first and second class rates, both interstate and intrastate, shall be increased two scale numbers.

Merchandise rates from points in the United States to points in Canada shall be increased 15 cents per 100 pounds, and commodity rates not stated in scale numbers shall be increased 10 cents per 100 pounds.

SECTION 2.

Commodity rates, both interstate and intrastate, stated in scale numbers shall be increased not more than 10 cents per 100 pounds.

Commodity rates, both interstate and intrastate, which are stated in cents or in dollars and cents per 100 pounds, per pound or other unit of weight, shall be increased 10 cents per 100 pounds, except as to mileage or commodity rates on milk and cream. Commodity rates, both interstate and intrastate, which are stated in cents or in dollars and cents per crate, barrel or other package or per car, shall be increased at the rate of 10 cents per 100 pounds based upon the authorized billing weight.

SECTION 3.

Milk and cream mileage or commodity rates, both interstate and intrastate, shall be made 25 per cent higher than rates in effect July 1, 1918.

SECTION 4.

Intrastate first and second class rates in States which have not adopted the existing Interstate Commerce Commission basis of first and second class rates, shall be made the same as the increased interstate rates in the same Zone.

In States which did not adopt the increase of 10 per cent on commodity rates on intrastate traffic as authorized by the Interstate Commerce Commission on interstate traffic, by Fifteenth Section Order No. 746, such commodity rates shall be increased 10 per cent and in addition increased 10 cents per 100 pounds, except on milk and cream which shall be made 25 per cent higher than rates in effect July 1, 1918.

SECTION 5.

Where prior to January 1, 1919, the Interstate Commerce Commission authorizes or prescribes rates and charges which have not been published prior to that date, the rates and charges initially established hereunder may be subsequently revised by applying the increases prescribed herein to the rates and charges so authorized or prescribed by the Interstate Commerce Commission.

SECTION 6.

All rates and charges, both interstate and intrastate, shall be governed by and apply in connection with the Tariff of First and Second Class Express Rates I. C. C. No. 2, Directory of Express Stations I. C. C. No. A-3, Official Express Classification I. C. C. No. 150, Directory of Collection and Delivery Limits I. C. C. No. A-4, also Terminal and Switching Charges I. C. C. No. A-2095, on file with the Interstate Commerce Commission, and supplements thereto and re-issues thereof, which shall be adopted by filing notice with the Interstate Commerce Commission.

SECTION 7.

All intrastate rates which are to be increased under this order, if not now on file, shall be immediately filed with the Interstate Commerce Commission. Such intrastate rates shall not be applied to interstate shipments and the schedules containing said rates shall be so restricted.

SECTION 8.

All schedules published to cover express rates and charges, classifications, regulations and practices under the provisions of this order shall bear on the title-page one of the legends shown below in bold-face type.

If restricted to apply on intrastate traffic only, use the following:

"The rates and charges made effective by this schedule are initiated by the President of the United States through the Director General, United States Railroad Administration, and apply on intrastate traffic only.

"This schedule is published and filed on not less than one day's notice with the Interstate Commerce Commission under General Order No. 56 of the Director General, United States Railroad Administration, dated 19th day of November, 1918."

If restricted to apply on interstate traffic only, use the following:

"The rates and charges made effective by this schedule are initiated by the President of the United States through the Director General, United States Railroad Administration, and apply to interstate traffic only.

"This schedule is published and filed on not less than one day's notice with the Interstate Commerce Commission under General Order No. 56 of the Director General, United States Railroad Administration, dated 19th day of November, 1918."

If to apply on both intrastate and interstate traffic, use the following:

"The rates and charges made effective by this schedule are initiated by the President of the United States through the Director General, United States Railroad Administration, and apply to both interstate and intrastate traffic.

"This schedule is published and filed on not less than one day's notice with the Interstate Commerce Commission under General Order No. 56 of the Director General, United States Railroad Administration, dated 19th day of November, 1918."

If some of the rates and charges therein are to apply on interstate traffic and others to intrastate traffic, use the following:

"The rates and charges made effective by this schedule are initiated by the President of the United States through the Director General, United States Railroad Administration, and apply to interstate and intrastate traffic, as provided herein.

"This schedule is published and filed on not less than one day's notice with the Interstate Commerce Commission under General Order No. 56 of the Director General, United States Railroad Administration, dated 19th day of November, 1918."

Given under my hand this the 19th day of November, 1918.

W. G. McADOO,
Director General of Railroads.

GENERAL ORDER NO. 57.

WASHINGTON, November 26, 1918.

RULES GOVERNING THE INSPECTION, SELECTION AND COOPERING OR REJECTION OF CARS FOR BULK GRAIN LOADING, THE RECORDING OF LOSS OF GRAIN FROM CAR BY LEAKAGE (IF ANY) DURING TRANSIT, AND THE DISPOSITION OF CLAIMS FOR LOSS AND DAMAGE OF GRAIN.

Claims on grain shipped in bulk constitute a large proportion of loss and damage claims. Some of the widely varying practices of both shippers and carriers with respect thereto are of doubtful propriety, and in many cases result in undue preference and unjust discrimination.

This condition may be attributed largely to the great number of intricate factors entering into the grain business; the condition of scales and weighing practices, which, in many instances, result in weights of doubtful accuracy. Grain in bulk is sometimes loaded at large terminal elevators where so-called official weights are obtained; in other instances, at country elevators where weights are obtained on small scales in many drafts; and in other instances where scale weights are not used but loading weights obtained on measurement basis; and at some points where no elevators are located, grain is

weighed over wagon scales, loaded into cars and the sum of the wagon scale weights used to represent the amount shipped.

Destination weights are arrived at in as many different ways as the loading weights, but, as a general rule, the bulk of the grain shipped is destined to terminal markets where official weights are secured, and the differences between these loading and destination weights constitute the basis of claims, although losses resulting from the taking of samples for inspection purposes and the failure of consignee to unload all the grain and other wastage, over which the railroad has no control, are not taken into consideration or accounted for.

In view of the foregoing, there is no good reason why carriers should assume responsibility for claims, the basis of which is solely the difference between these loading and out-turn weights.

Therefore, claims for loss of bulk grain will be recognized only where there is evidence of negligence on the part of the carriers. Leaks due to improper coopering of cars or placing of grain door boards are not to be considered as evidence of negligence on the part of the carrier, and the following rules shall apply until superseded by others that may be adopted as a result of investigation and study of the subject now being carried on by carriers and shippers in connection with the Interstate Commerce Commission.

At the present time there is lack of uniformity in the disposition of grain claims. One purpose of these rules is to clear up this present situation and dispose of promptly such claims as come within these regulations.

RULE 1.—SELECTION OF CARS FOR LOADING.

Suitable cars will be furnished for bulk grain loading. (See Definition.)

DEFINITION.—A suitable car for bulk grain loading is one that is grain tight and fit or can be made so by the shipper at time and place of loading by ordinary and proper care in use of cooperage material and by a reasonable amount of cleaning.

RULE 2.—REJECTION BY SHIPPER.

While carriers are expected to furnish suitable equipment, it is the duty of the shipper to reject a car which is unfit for the loading intended.

Shippers should not load bulk grain in a car with door post shattered or broken, or with other defects of such character as to render car obviously unfit, or with inside showing the presence of oil, creosote, fertilizer, manure, coal or other damaging substance of like or kindred character.

RULE 3.—COOPERAGE.

Grain doors, or grain door lumber of proper quality and dimensions will be furnished by the carrier and installed by the shipper to cooper side and end doors and other openings of cars used for bulk grain loading.

NOTE 1.—Carrier's agent at loading station will ascertain the number of temporary sectional grain doors, or the number of feet (board measure) of grain door lumber used to cooper the car and the approximate weight thereof, and note same on waybill.

NOTE 2.—Should the carrier's supply of grain door material run short, local agent will promptly notify his superintendent, who will immediately send the required material or authorize local agent to purchase a supply to take care of the emergency.

NOTE 3.—Shippers or consignees must not appropriate carriers' grain doors or grain door material, neither shall they use the same without specific authority from the carrier.

Accessories such as nails, paper, cheesecloth, burlap or similar material for calking or lining cars, required to prevent loss of grain by leakage, shall be supplied by the carrier and applied by the shipper or at his expense.

RULE 4.—CONSIGNOR, CONSIGNEE OR OWNER REQUIRED TO LOAD AND UNLOAD CARLOAD FREIGHT.

Except as otherwise provided by tariff, owners are required to load into or on cars grain carried at carload ratings, and consignee or owner is required to unload the car, which includes the removal of entire contents, including sweeping the car. Loading includes adequate securing of the load in or on car, also proper distribution of the weight in the car by trimming or leveling.

RULE 5.—SHIPPING WEIGHTS.

Where shipper weighs the grain for shipment, he shall furnish the carrier with a statement of the car initials and number, the total scale weight, the type and house number of the scale used, the number of drafts and weight of each draft weighed, the date and time of weighing, and state whether official Board of Trade, Grain Exchange, State or other properly supervised shipping weights; also state number and approximate weight of grain doors used. This information shall be furnished as soon as practicable, forwarding of car not to be delayed for this record.

RULE 6.—DESTINATION WEIGHTS.

Consignee shall furnish the carrier with a statement of the car initials and number, the total scale weight, the type and house num-

ber of the scale used, the number of drafts and weight of each draft weighed, and date and time of weighing, and state whether official Board of Trade, Grain Exchange, State or other properly supervised unloading weight.

RULE 7.—LEAKAGE OR DAMAGE RECORD.

If damage to or leakage of grain is detected while in carrier's possession, the necessary repairs must be made to prevent further loss or damage and a complete record made thereof. In case of a disputed claim, the records of both carrier and claimant on said car shall be made available to both parties.

If shipper, consignee, owner or his or their representative should discover leakage of grain from car, he must immediately report the facts to carrier and afford reasonable opportunity for verification.

The result of hammer testing will not be accepted as proof of loss.

RULE 8.—CLAIMS ON CLEAR AND DEFECTIVE RECORD CARS.

(a) CLEAR RECORD CARS: If, after thorough investigation by the carrier, no defect in equipment or seal record is discovered, such record shall be considered to show that the carrier has delivered all of the grain that was loaded into the car. If evidence is produced by the claimant indicating a defective record, such evidence shall be investigated and given due consideration.

(b) DEFECTIVE RECORD CARS: Where investigation discloses defect in equipment, seal or seal record, or a transfer in transit by the carrier of a car of grain upon which there is a difference between the loading and unloading weights, and the shipper furnishes duly attested certificates showing correctness of weights, and the carrier can find no defect in scale or other facilities and no error at points of origin or destination, then, the resulting claims will be adjusted subject to deduction of one-eighth of 1 per cent of the established loading weight as representing invisible loss and wastage.

NOTE.—Transfer in transit, as referred to in Section "b" of this rule, is a transfer for which the railroad is responsible, and not a transfer because of a trade rule, Governmental requirement, or because of orders of consignor, consignee, owner or their representative.

(c) Leaks over or through grain doors and other leaks due to improper coopering by shipper shall not be considered defects for which the carrier is responsible.

W. G. McADOO,
Director General of Railroads.

LIST OF CIRCULARS.

1. First seven staff appointments.
2. Creation of Car Service Section.
3. Creation of Locomotive Section.
4. Creation of Interregional Traffic Committee.
5. Creation of Marine Section.
6. Creation of Committee on Inland Waterways.
7. Creation of Safety Section.
8. Railroads instructed to furnish certain employees statements to facilitate income-tax returns.
9. Creation of Division of Capital Expenditures.
10. Expenses re New York offices.
11. Supplemental instructions re General Order No. 9.
12. Instructions re cash on hand December 31, 1917.
13. Liberty loan investments by railroads.
14. Creation of Protection of Railroad Property Section.
15. Creation of Inspection and Test Section.
16. Creation of Car Relief Section (corrected to Apr. 1).
17. Instructions re expense of officers, etc., not connected with operation.
18. Railroad subscriptions to third Liberty loan.
19. Appointment of acting treasurer.
20. Alleged protests re General Order No. 8.
21. Fire insurance contracts.
22. Organization of Railway Board of Adjustment No. 1.
23. Creation of Coastwise Steamship Advisory Committee.
24. Comments re Railroad Wage Commission investigation and plea to buy Liberty bonds.
25. Progress of authorized editions and betterments and equipment.
26. Appointment of Walker D. Hines as Assistant Director General of Railroads.
27. Appointment of Theodore H. Price actuary.
28. Appointment of C. H. Markham regional director, Allegheny Region.
Supplement No. 1. Railroads included in Allegheny Region July 10, 1918.
29. Appointment of B. L. Winchell regional director, Southern Region.
30. Appointment of N. D. Maher regional director, Pocahontas Region.
Supplement No. 1. Pocahontas Region—Ashland Coal & Iron Railway—Included July 10, 1918.
31. Organization of Board of Railroad Wages and Working Conditions.
32. Division of Operation created.
33. Appointment of R. H. Aishton regional director, Northwestern Region.
Supplement No. 1. Railroads included in Northwestern Region July 10, 1918.
34. Appointment of Hale Holden regional director, Central Western Region.
Supplement No. 1. Central Western Region—Railroads included July 10, 1918.
35. Appointment of B. F. Bush regional director, Southwestern Region.
Supplement No. 1. Southwestern Region—Railroads included July 10, 1918.
36. Urging railroad employees to invest in War Savings Stamps.
37. Appointment of Oscar A. Price Assistant to the Director General of Railroads.
38. Organization of Railway Board of Adjustment No. 2.

39. No agreement be reached between officials and employees of any railroad to adjust differences except as provided in General Orders Nos. 13 and 29.
40. Special representative United States Railroad Administration—T. C. Powell appointed; also to continue duties as Manager of Inland Traffic.
41. Eastern Region—Railroads added July 10, 1918.
42. Southern Region—Railroads added July 10, 1918.
43. Registration and conversion of Liberty Bonds.
44. Road or street construction and other public improvements.
- 44-A. (Cancels Circular No. 44.) Road or street construction and other public improvements.
45. Acting treasurer United States Railroad Administration—L. G. Scott appointed.
46. Creation of Short Line Section and appointment of E. C. Niles as Manager.
47. Pullman Company Operating Department hereafter to be known as Pullman Car Lines.
48. Creation of Freight Claim Section.
49. Claims, manner in which claims are to be handled.
50. Bureau for Suggestions and Complaints organized.
51. Liberty Loan, Fourth—War Savings Stamps—Special appeal of Director General.
52. Appointment of H. B. Walker, Federal Manager, Coastwise Steamship Lines.
53. Creation of Division of Inland Waterways, G. A. Tomlinson appointed Director, and H. S. Noble appointed Federal Manager, New York and New Jersey Canals.
54. Creation of Insurance and Fire Protection Section, and Advisory Committee.
- 54-A. Insurance and Fire Protection Section name changed to Fire Loss and Protection Section.
55. Marine Section, Division of Transportation discontinued—Effective September 1, 1918.
56. Liberty Loan, Fourth—Director General urges all employees to cooperate and suggests they subscribe through railroads.
- 56-A. Liberty Loan, Fourth—Officials and employees urged to cooperate in securing a “100 per cent” result on every line.
57. Registrants under Selective Service Act, classification of.
58. Health and Medical Relief Committee appointed.
59. Banks and Trust Companies in which funds of United States Railroad Administration or of the various Federal Treasurers are deposited, in future must pay interest at specified rates.
60. Creation of Marine Insurance Section.
61. Telegraph and telephone facilities—Rules for relieving from unnecessary business.
62. Appointment of Charles A. Lutz treasurer.
63. Re Bureau for the Safe Transportation of Explosives.
64. Presents, Christmas, etc., from shippers to officers and employees of railroads should be discontinued.
65. Railway Board of Adjustment No. 3, organization of (see also G. O. No. 53).
66. Railroads transferred from Eastern to Allegheny Region.
67. Instruction for handling loss of or damage to property by fire.
68. Railroads transferred—Allegheny to Eastern Region—Eastern to Allegheny Region.
69. Creation of Secret Service and Police Section, W. J. Flynn appointed Chief.

CIRCULARS ISSUED BY THE DIRECTOR GENERAL OF RAILROADS.

CIRCULAR No. 1.

WASHINGTON, D. C., February 9, 1918.

I hereby announce the organization of my staff as follows:
Assistant to the Director General, Walker D. Hines.
General counsel, John Barton Payne.
Director Division of Finance and Purchasing, John Skelton Williams.

Director Division of Transportation, Carl R. Gray.
Director Division of Traffic, Edward Chambers.
Director Division of Labor, W. S. Carter.
Director Division of Public Service and Accounting, Charles A. Prouty.

Additional divisions will be created from time to time as conditions may justify.

W. G. McADOO,
Director General of Railroads.

CIRCULAR No. 2.

WASHINGTON, D. C., February 6, 1918.

For the handling of car service and other matters formerly in charge of the commission on car service of the American Railway Association, the Car Service Section of the Division of Transportation is hereby created. Mr. W. C. Kendall is appointed manager of the Car Service Section; and Messrs. W. L. Barnes, E. H. De Groot, jr., A. G. Gutheim, C. B. Phelps, G. F. Richardson, and J. A. Somerville are appointed assistant managers.

The Car Service Section—

- (a) Will have charge of all matters pertaining to car service, including the relocation of freight cars.
- (b) Will provide through the regional director, on application of proper governmental authorities, for preference in car supply and movement, where more than 10 cars are involved.
- (c) Will receive from railroads such reports, periodical or special, as it may require in order to keep fully informed with respect to car service, embargo, or transportation conditions.
- (d) Must be promptly informed of all embargoes placed, modified, or removed, and will, from time to time, recommend such em-

bargo policies and exemptions as the needs of the Government, seasonal requirements, or other circumstances may demand.

(e) Will deal directly with railroads with respect to matters within its jurisdiction, and will keep the regional directors properly advised.

W. G. McADOO,

Director General of Railroads.

CIRCULAR NO. 3.

WASHINGTON, D. C., February 9, 1918.

The Locomotive Section of the Division of Transportation is hereby created, and Mr. Frank McManamy appointed manager, with office in the Interstate Commerce Building, Washington, D. C.

The manager of the Locomotive Section will supervise the condition of, and repairs to, locomotives at all railway shops and round-houses and at outside shops, in addition to his present duties for the Interstate Commerce Commission as its chief inspector of locomotives.

W. G. McADOO,

Director General of Railroads.

CIRCULAR NO. 4.

WASHINGTON, D. C., February 9, 1918.

I hereby appoint an interregional traffic committee consisting of B. L. Winchell, traffic director of Union Pacific; G. F. Randolph, commissioner trunk lines; T. C. Powell, vice president southern railways.

This committee is to make a study of the larger traffic movements with a view to seeing what steps can be taken advantageously in order to shift traffic from the more seriously congested gateways to the less congested gateways and from the more congested ports to the less congested ports, as well as the more advantageous distribution of such traffic. The situation will be viewed from the standpoint of a national railroad system consisting of all the railroads instead of, as heretofore, from the separate standpoints of independent and competitive railroads.

The commission will deal principally with the questions affecting movements of traffic between the three regions and its work will not interfere with similar studies which will be conducted under each of the three regional directors with reference to matters within their respective jurisdictions.

W. G. McADOO,

Director General of Railroads.

CIRCULAR No. 5.

WASHINGTON, February 15, 1918.

The Marine Section of the Division of Transportation is hereby created, and Mr. W. H. Pleasants is appointed manager with office at Washington, D. C.

The manager of the Marine Section will supervise the operation of the shipping under the control of the director general and will also give special attention to coordinating the relations between all other shipping (including that on the Great Lakes) and the railroads.

W. G. McADOO,

Director General of Railroads.

CIRCULAR No. 6.

WASHINGTON, February 16, 1918.

I hereby appoint a committee on inland waterways consisting of Maj. Gen. W. M. Black, Chief of Engineers, United States Army, chairman; Mr. Walter S. Dickey, of Kansas City, Mo.; Mr. G. A. Tomlinson, of Duluth, Minn.; Col. Charles Keller, Corps of Engineers, United States Army, secretary.

This committee is to make a prompt investigation and to report as soon as practicable a definite plan describing the extent to which and the manner in which additional use may be made of the internal waterways for the economical and expeditious movement of traffic of the country so as to relieve or supplement the railways under existing war conditions. While the entire waterway and transportation situation is to be scrutinized, only those waterways that will effectively afford national relief shall be included in the plan to be presented.

W. G. McADOO,

Director General of Railroads.

CIRCULAR No. 7.

WASHINGTON, D. C., February 19, 1918.

The Safety Section of the Division of Transportation is hereby created, and Mr. Hiram W. Belnap appointed manager, with office in the Interstate Commerce Building, Washington, D. C.

The manager of the Safety Section will have supervision over the safety work on all railroads, utilizing such safety organizations as are already available and suggesting such others as are desirable, in addition to his present duties for the Interstate Commerce Commission as chief of its bureau of safety.

W. G. McADOO,

Director General of Railroads.

CIRCULAR No. 8.

WASHINGTON, *March 2, 1918.*

It is represented that numerous railroad employees who are not paid fixed annual salaries have not kept accurate records of their earnings for the calendar year 1917, and therefore find it difficult to make an accurate return under the income tax law. The railroads are required to make to the collector of internal revenue a report as to each employee who received \$800 or more for the calendar year 1917. It is therefore requested that you give each employee who does not receive a fixed annual salary, and who is included in the report to the collector of internal revenue as having received \$800 or more for the calendar year 1917, a statement as to the amount of compensation which has been or will be shown in such report as having been so received by him, in order to facilitate the making of accurate income tax returns by such employees.

W. G. McADOO,
Director General of Railroads.

CIRCULAR No. 9.

WASHINGTON, D. C., *March 12, 1918.*

The Division of Capital Expenditures is hereby created and Judge Robert S. Lovett is appointed director thereof, with office in the Interstate Commerce Building, Washington, D. C.

W. G. McADOO,
Director General of Railroads.

CIRCULAR No. 10.

WASHINGTON, *March 18, 1918.*

The question has been raised as to whether the Government ought to pay any part of the expense of the New York offices (including salaries of officers at New York) of railroad companies, except to the extent that such expenses are on account of operating offices properly located at New York; and, on the same principle, as to whether the Government is under any obligation to pay the expenses of offices of any of the companies in any locality devoted to financial and corporate matters as distinguished from matters pertaining to the physical operation of the railroad properties.

Even if it should be decided that the necessary expenses for some of the purposes for which such New York offices, and to some extent similar offices at other places, should be chargeable against the Government, it seems very clear that in many instances the expenses cur-

rently so charged are greatly in excess of what is necessary to accomplish the purposes which, according to a reasonable construction, would be chargeable against the Government.

Under the circumstances it is desired that each carrier claiming that any such expense should be chargeable against the Government shall present a statement showing the amount of this expense and what amount, if any, it is claimed should fairly be charged to the Government, and the reasons why the carrier believes such expense is so chargeable. And on and after April 1, 1918, the said expense shall cease to be charged against operating income, except in so far as the same shall be expressly authorized after the facts shall have been considered as provided herein.

W. G. McADOO,
Director General of Railroads.

CIRCULAR No. 11.

WASHINGTON, March 23, 1918.

With reference to paragraph 3 of General Order No. 9, carriers will submit to the regional director a statement marked "Nothing to report" for each month in which no changes covered by that paragraph occur.

With reference to paragraph 4 of General Order No. 9, carriers will submit to the Director General and also to the regional director a statement marked "Nothing to report" for each month in which no changes covered by that paragraph occur.

W. G. McADOO,
Director General of Railroads.

CIRCULAR No. 12.

WASHINGTON, March 23, 1918.

Unless and except so far as reasonable showing shall be made to the contrary, the Director General will proceed upon the theory that the totals of accounts "cash," "demand loans and deposits," and "time drafts and deposits," appearing on the railroad company's books at the close of business December 31, 1917, was for railroad purposes and is therefore subject to the control and order of the Director General. If, and to the extent that, the Director General shall find it appropriate, in the mobilization and unification of the resources of the railroad companies, to transfer any such cash from the control of the officers of the company, full accounting provision will of course be made for the protection of the company's rights.

The Director General will entertain any applications which may be made to him to show that any portion of the cash on hand Decem-

ber 31 was not for railroad purposes and should not be under the Director General's control.

Carriers subject to Federal control must not make disbursements out of the cash represented by the accounts above designated as of December 31, 1917, except for the following purposes:

(a) The payment of interest maturing up to and including July 1, 1918, upon obligations of the railroad company.

(b) The payment of dividends not in excess of regular rate of dividends during the three years ended June 30, 1917, in the regular installments, according to the established practice of the company, payable up to and including July 1, 1918.

(c) The payment for materials and supplies for railroad use and for other expenses of operation. Operation to include, both upon the debit and credit side, joint facility rents, car hire, and all items of that character which accrue out of the operation of the property.

(d) Taxes, including war taxes.

(e) Expenditures for permanent improvements.

Application will be entertained for any payments which the carrier may desire to make out of cash on hand December 31, 1917, for purposes other than those above specified or, as to clauses (a) and (b), at dates beyond July 1, 1918.

W. G. McADOO,
Director General of Railroads.

CIRCULAR No. 13.

WASHINGTON, March 25, 1918.

Will you please give the following information:

1. State the total amount, if any, of Liberty loan $3\frac{1}{2}$'s, and separately of Liberty loan 4's, bought by your company or subsidiaries (a) as investment, (b) for employees.

2. State aggregate amount now held of each of said issues (a) as investment, (b) for employees.

Of amounts of each issue disposed of by you, other than bonds disposed of to employees, please show (a) amounts sold in the market, or through brokers; (b) amounts sold at private sale to investors; (c) prices realized for each lot sold and dates of sale.

W. G. McADOO,
Director General of Railroads.

CIRCULAR No. 14.

WASHINGTON, March 26, 1918.

To all railroad officials and employees:

A section for the Protection of Railroad Property and property of shippers in transit has been established in the Division of Law by

the Director General to enforce rigorously the Federal law against theft from cars, stations, sidings, and wharves, and to take all necessary measures in cooperation with carriers to prevent loss from this cause, which in past years has been enormous.

Philip J. Doherty is hereby appointed manager of such section.

Full cooperation with this section is required from all officers and employees of the railroads, and special agents or secret service men employed by the carriers are especially required to cooperate with this section, both in preventing and investigating thefts, making arrests, or prosecuting offenders, and railroad attorneys and all other officials are required to give all possible aid.

Anyone having knowledge of any such offense should report the same to the nearest railroad official or to this section in order that indictment of the guilty parties may be had under the Federal law which carries a maximum penalty of 10 years' imprisonment.

Communications should be addressed to Philip J. Doherty, manager, section for Protection of Railroad Property, United States Railroad Administration, Washington, D. C.

Officers and employees must understand that all property being transported by the railroads is in the custody of the United States and they owe an especial duty to guard and protect the same and to report promptly any person who tampers therewith; and the United States looks to the officers and employees to do their duty in this behalf.

W. G. McAdoo,
Director General of Railroads.

CIRCULAR No. 15.

WASHINGTON, March 29, 1918.

The Inspection and Test Section of the Division of Transportation is hereby created and Mr. C. B. Young is appointed manager, with office in the Southern Railway Building, Washington, D. C.

The manager of the Inspection and Test Section will have charge of the test and inspection of materials and work in connection with the construction of standard locomotives and cars.

W. G. McAdoo,
Director General of Railroads.

CIRCULAR No. 16.

[Corrected.]

WASHINGTON, April 1, 1918.

The Car Repair Section of the Division of Transportation is hereby created, and Mr. J. J. Tatum is appointed manager, with office in Southern Railway Building, Washington, D. C.

The manager of the Car Repair Section will supervise the condition of and repairs to freight and passenger cars in all existing railway shops and at outside points.

W. G. McADOO,
Director General of Railroads.

CIRCULAR No. 17.

WASHINGTON, March 30, 1918.

The Director General is of opinion that the Government ought not to pay the salaries and office and traveling expenses of officers whose services are not reasonably required for the operation of the railroads. It is, of course, evident that in the past the railroad companies, in establishing and maintaining their staffs of officers, have provided not only for the actual necessities of operation but, in addition, have provided (*a*) for financial and corporate functions beyond what is necessarily connected with operation—for example, functions calling for chairmen of boards of directors and of executive committees, etc.; (*b*) for other activities in which the company may be lawfully engaged but whose operation is not to be conducted by the Government; (*c*) for operating functions which were natural when railroads were operated under the competitive system but which are unnecessary under existing conditions—for example, traffic functions connected with the obtaining of traffic rather than with the giving of adequate and convenient information and assistance to the public; (*d*) for officers who have practically retired from service and whose salaries have been continued because of their past services rather than because of their need for current operation; (*e*) for counsel whose services have not been needed for the conduct of ordinary operating activities of the company, but who, to a large extent, if not entirely, have devoted themselves to matters of a corporate character—for example, many of whom are now devoting themselves to the problems in connection with the making of the contracts with the Government for the use of the railroads.

It will be necessary for the Government to make a careful study to determine the extent to which operating expenses under Government control should be relieved of charges for the salaries and office and traveling expenses of officers not necessary to carry on operating functions, and this circular is to give notice that this subject is and will be under consideration, and that in clear cases the Government may charge back against the company any amounts charged into operating expenses on and after April 1, 1918, for the salaries and office and traveling expenses of officers who are not required to conduct railroad operation.

This policy will not affect the positions of any officers whom the company itself may desire to continue to pay out of its own funds, but who are not necessary to railroad operations.

It is the purpose of the Government to carry out the above policy in a reasonable and considerate way and not to disturb unnecessarily the operating forces of the railroads. In general, it is anticipated that the rank and file of railroad officers are needed for the conduct of the company's business and that practically all railroad employees, as distinguished from officers, can be continued in service even though the offices in which they now work may no longer be continued. It is believed that the readjustment of operating charges above suggested will be called for almost, if not entirely, with reference to general officers of the character illustrated by clauses (*a*) to (*e*), whose functions are not necessarily connected with operation.

W. G. McADOO,
Director General of Railroads.

CIRCULAR No. 18.

WASHINGTON, April 2, 1918.

In order to encourage officers and employees to subscribe to the third Liberty loan, carriers may take such amount of the bonds as may be necessary to care for such subscriptions, and current operating revenues may be used as far as necessary in paying for such bonds. Officers and employees may be permitted to pay in installments covering a period of not exceeding 10 months. In case they have not completed payments on prior subscriptions, and in order to avoid making payments on both subscriptions at the same time, payments on new subscriptions may begin not later than three months from now, in which event the 10 months shall date from the time payments shall begin on the new subscription.

The regional directors have been requested to organize regional committees to promote these subscriptions. In addition it is hoped that the various carriers will cooperate heartily with the Federal reserve banks in organizing committees of officers and employees to canvass the matter.

W. G. McADOO,
Director General of Railroads.

CIRCULAR No. 19.

WASHINGTON, April 3, 1918.

Director General McAdoo announced to-day that Angus D. McDonald, vice president and comptroller of the Southern Pacific Co.,

has been temporarily detailed to Washington as acting treasurer for the United States Railroad Administration. The treasurer will be under the immediate supervision of the director of finance and purchases.

W. G. McADOO,
Director General of Railroads.

CIRCULAR No. 20.

WASHINGTON, April 3, 1918.

To all railroad companies:

My attention has been called to a report in reference to my General Order No. 8, in which it is stated that many officials of the railroads are filing strong protests with the Director General of Railroads because of the position he has taken in Official Order No. 8.

It is only just that I should say that I have not received any protests from railroad officials because of Order No. 8.

I feel that it is most important in this new era of "railroading in America" that railroad officials and railroad employees shall not live any longer in an atmosphere of suspicion and distrust. I earnestly desire to see them brought together upon a plane of mutual understanding and helpfulness because I believe that it is to the interest of both that this shall be accomplished and because I know that it will promote the efficient and safe operation of the railroads, and, more than all, that it will help the country immeasurably in this time of national peril. In my Order No. 8 I emphasized my desire that the old enemies of the past should be obliterated and that the common peril now confronting America should make friends and comrades of us all.

I deeply appreciate the assurances of loyalty and patriotic support I have been receiving from railroad employees connected with all kinds of railroad work since the Government took possession and control of the railroads. With the spirit of high purpose animating us all, from the humblest to the highest, I know that we can do a mighty work for America, and that we can win this war for liberty and democracy.

Please bulletin this circular.

W. G. McADOO,
Director General of Railroads.

CIRCULAR No. 21.

WASHINGTON, April 8, 1918.

The Director General is giving consideration to the general practice to be followed in the matter of insurance against loss or damage by fire to railroad property and to property in railroad custody.

Pending a decision on this question, carriers should not negotiate any contracts of fire insurance covering a longer period than has heretofore been customary, nor in any event covering a period of more than one year, without special authority from this office.

W. G. McADOO,
Director General of Railroads.

CIRCULAR No. 22.

WASHINGTON, April 13, 1918.

To all railroad companies:

In conformity with General Order No. 13, Railway Board of Adjustment No. 1 met in the city of Washington at its office, room 733, Southern Railway Building, Washington, D. C., and have organized and are ready for the transaction of such business as may come before it as provided in General Order No. 13.

The officers and members of this board are as follows: Charles P. Neill (chairman), L. E. Sheppard (vice chairman), F. A. Burgess, W. N. Doak, J. W. Higgins, Albert Phillips, John G. Walber, E. T. Whiter.

The board has designated the following dates as the beginning of each of its regular monthly meetings during the remaining portion of the year 1918: May 7, June 4, July 8, August 6, September 3, October 8, November 7, December 3.

Attention is called to the provisions of the memorandum of understanding annexed to General Order No. 13, as follows:

Article 10 provides the manner in which controversies will be submitted to the board through the Division of Labor of the United States Railroad Administration. Every case submitted, except the unfinished business of the commission of eight, which is transferred to this board as provided in article 6, should be accompanied by evidence that its submission is approved by the chief operating officer of the railroad upon which the controversy has arisen, and by the chief executive officer of the organization concerned. Where two or more organizations are jointly concerned, the submission should be joint, if practicable.

Article 11 expressly precludes a consideration by the Railway Board of Adjustment No. 1 of any matter unless officially referred to it in the manner prescribed in the memorandum of understanding.

Article 14 requires that in each case an effort should be made to present a joint concrete statement of facts as to any controversy. Statement of fact, whether joint or separate, should be sufficiently comprehensive to give an understanding of the controversy that the

board is called upon to decide. Where briefs or additional evidence are to follow, notice thereof should accompany the submission. Where additional matter is to follow the submission, the case will not be transmitted to the Board of Adjustment by the Division of Labor until the additional data shall have been received.

It is requested that three copies of the joint concrete statement be filed with the Division of Labor for matter of record and for the information of the board. Briefs and documentary evidence need not be furnished in duplicate, but whenever possible should be attached to the three copies of the joint statement.

W. G. McADOO,
Director General of Railroads.

CIRCULAR No. 23.

WASHINGTON, April 13, 1918.

1. For the administration of the coastwise steamship lines, under control of the United States Railroad Administration, the Coastwise Steamship Advisory Committee is hereby created, with office at 165 Broadway, New York City.
2. Mr. L. J. Spence is appointed chairman, with authority to form the Coastwise Steamship Advisory Committee from the officers of the following steamship lines: Clyde Steamship Co., Mallory Steamship Co., Merchants & Miners' Transportation Co., Ocean Steamship Co., Old Dominion Steamship Co., Southern Pacific Steamship Lines, Southern Steamship Co.
3. The chairman of the Coastwise Steamship Advisory Committee will report to the manager, Marine Section, of the Division of Transportation, and will exercise supervision and direction of all coastwise lines under control of the United States Railroad Administration.

W. G. McADOO,
Director General of Railroads.

CIRCULAR No. 24.

WASHINGTON, April 22, 1918.

Shortly after possession and control of the railroads of the United States were assumed by the Government, I appointed a Railroad Wage Commission for the purpose of making a thorough investigation of the wages paid to all railroad employees, whether members of labor organizations or not. I announced that if, as a result of that investigation, an increase of wages was made by the Director General, such increase would become effective as of January 1, 1918.

The task confronting the Railroad Wage Commission was greater in magnitude than any task of a similar character ever undertaken. The commission immediately applied itself to the work with great energy and with unremitting labor to a study of the large and complex questions involved. In matters of such magnitude adequate time is essential to intelligent consideration and wise conclusions.

The commission has informed me that it expects to submit its report on my return to Washington upon the conclusion of the present Liberty loan campaign, May 4. I shall promptly review the report of the commission and render a decision upon its findings and recommendations. Meanwhile, no employee's interest is being hurt or prejudiced, because whatever increases may be granted will have accumulated in the form of savings and will not have been spent in the meantime as might otherwise have been the case.

I hope that every railroad employee in the United States will lend all the money he can, consistently with his individual circumstances, to his Government by buying Liberty bonds: they pay 4½ per cent interest per annum and are the safest investment in the world—as safe as the money of the United States and safer than deposits in banks. In lending your money to the Government you not only save the money for yourselves, but you help every gallant American soldier and sailor who is fighting in this war now to save your lives and liberties and to make the world safe for democracy.

W. G. McADOO,
Director General of Railroads.

CIRCULAR NO. 25.

WASHINGTON, May 8, 1918.

Each carrier shall at once make a report in duplicate, sending one original to the director of the Division of Capital Expenditures and the other original to the regional director, giving full advice as to whether the carrier is proceeding with all practicable expedition to construct and put into operation all additions and betterments on its lines which may have been approved by the director of the Division of Capital Expenditures, and all equipment which may have been so approved and which the carrier may be constructing in its own shops.

If a carrier shall not have commenced any project so approved, or, having commenced it, shall not be prosecuting it vigorously to completion, the carrier shall specify in the above-mentioned report each such project and state fully the reasons why it has not been commenced or why, if commenced, it is not being vigorously prosecuted to completion.

If a carrier shall not have, on hand or arranged for, the necessary funds to construct and put into operation without delay all the additions and betterments which have been so approved, and if it anticipates that this condition is likely to delay any of such work, the carrier shall in addition make a report at once to the director of the Division of Finance, stating its financial needs in order to enable it to complete all such work expeditiously.

W. G. McADOO,
Director General of Railroads.

CIRCULAR No. 26.

WASHINGTON, D. C., May 20, 1918.

Walker D. Hines, heretofore assistant to the Director General, is hereby appointed Assistant Director General of Railroads, effective this date.

W. G. McADOO,
Director General of Railroads.

CIRCULAR No. 27.

WASHINGTON, May 25, 1918.

Effective June 1, 1918, Mr. Theodore H. Price is appointed actuary of the United States Railroad Administration. His duties will be to compile and analyze statistics and make reports concerning the various economic problems, connected with the functions of the Railroad Administration, which will be referred to him by the Director General or by members of the staff.

W. G. McADOO,
Director General of Railroads.

CIRCULAR No. 28.

WASHINGTON, D. C., June 1, 1918.

Effective this date, the Allegheny Region is hereby created, and Mr. Charles H. Markham is appointed regional director, with office in Broad Street Station, Philadelphia.

The Allegheny Region will comprise the following lines, which are, for the purpose, released from the eastern region: Atlantic City Railroad; Baltimore & Ohio Railroad (east of and including Parkersburg and Pittsburgh); Bessemer & Lake Erie Railroad; Central Railroad of New Jersey; Cumberland Valley Railroad; Coal & Coke Railway; Hudson & Manhattan Railroad; New York, Philadelphia & Norfolk

Railroad; Pennsylvania Railroad (east of Erie and Pittsburgh, including terminals at Pittsburgh); Philadelphia & Reading Railway; Pittsburgh & Lake Erie Railroad; West Jersey & Seashore Railroad; Western Maryland Railway.

W. G. McADOO,
Director General of Railroads.

SUPPLEMENT No. 1 TO CIRCULAR NO. 28.

WASHINGTON, July 10, 1918.

In addition to the railroads named in Circular No. 28, the following railroads are included in the Allegheny Region:

- Buffalo & Susquehanna Railroad Corporation.
- Cherry Tree & Dixonville Railroad.
- Cumberland & Pennsylvania Railroad.
- Huntingdon & Broad Top Mountain Railroad.
- Long Island Railroad.
- Monongahela Railway.
- Philadelphia Belt Line.
- Pittsburg, Chartiers & Youghiogheny Railroad.
- Staten Island Rapid Transit Railway.
- Union Railroad (Pennsylvania).
- Washington Terminal Railroad.

W. G. McADOO,
Director General of Railroads.

CIRCULAR NO. 29.

WASHINGTON, D. C., June 1, 1918.

Effective this date, Mr. B. L. Winchell is hereby appointed regional director, Southern Region, with office in Healey Building, Atlanta, Ga., succeeding Mr. C. H. Markham, who becomes regional director of the Allegheny Region.

W. G. McADOO,
Director General of Railroads.

CIRCULAR NO. 30.

WASHINGTON, D. C., June 1, 1918.

Effective this date, the Pocahontas Region is hereby created, and Mr. N. D. Maher is appointed regional director, with office in Roanoke, Va.

The Pocahontas Region will comprise the following lines, which are, for the purpose, released from the Eastern Region: Chesapeake

& Ohio Railway, east of Louisville, Ky.; Columbus and Cincinnati, Ohio, including the Chesapeake & Ohio Northern; Norfolk & Western Railway; Virginian Railway.

The terminals of all railroads at Norfolk, Portsmouth, and Newport News, Va., and the Norfolk & Portsmouth Belt Railways are assigned to the Pocahontas Region.

W. G. McADOO,
Director General of Railroads.

SUPPLEMENT NO. 1 TO CIRCULAR NO. 30.

WASHINGTON, July 10, 1918.

In addition to the railroads named in Circular No. 30, the following railroad is included in the Pocahontas Region: Ashland Coal & Iron Railway.

W. G. McADOO,
Director General of Railroads.

CIRCULAR NO. 31.

WASHINGTON, June 1, 1918.

To all railroads and railroad employees:

In conformity with Article VII of General Order No. 27, the Board of Railroad Wages and Working Conditions have organized and are ready for the transaction of such business as may properly come before it. The officers and members of this board are as follows: G. H. Sines, chairman, F. F. Gaines, vice chairman, J. J. Dermody, C. E. Lindsay, W. E. Morse, A. O. Wharton.

The offices of the Board of Railroad Wages and Working Conditions are on the fourth floor, Premier Apartment Building, No. 718 Eighteenth Street Northwest, near Pennsylvania Avenue, Washington, D. C.

It shall be the duty of the board to hear and investigate matters presented by railroad employees or their representatives affecting,

(1) Inequalities as to wages and working conditions, whether as to individual employees or classes of employees.

(2) Conditions arising from competition with employees in other industries.

(3) Rules and working conditions for the several classes of employees, either for the country as a whole or for different parts of the country.

The board shall also hear and investigate other matters affecting wages and conditions of employment referred to it by the Director General.

This board shall be solely an advisory body and shall submit its recommendations to the Director General for his determination.

W. G. McADOO,
Director General of Railroads.

CIRCULAR No. 32.

WASHINGTON, June 11, 1918.

The name "Division of Transportation" is hereby changed to "Division of Operation," and Carl R. Gray, heretofore director, Division of Transportation, is hereby appointed director, Division of Operation, effective this date.

W. G. McADOO,
Director General of Railroads.

CIRCULAR No. 33.

WASHINGTON, June 11, 1918.

Effective this date the Northwestern Region is hereby created, and Mr. R. H. Aishton is appointed regional director, with office in Chicago, Ill. The Northwestern Region will comprise the following lines: Chicago & Northwestern Railway: Chicago, St. Paul, Minneapolis & Omaha Railway; Chicago Great Western Railroad: Chicago, Milwaukee & St. Paul Railway; Great Northern Railway: Minneapolis & St. Louis Railroad; Minneapolis, St. Paul & Sault Ste. Marie Railway; Northern Pacific Railway; Oregon-Washington Railroad & Navigation: Southern Pacific Lines (north of Ashland, Oreg.): Spokane, Portland & Seattle Railway: Spokane International Railway.

W. G. McADOO,
Director General of Railroads.

SUPPLEMENT No. 1 TO CIRCULAR No. 33.

WASHINGTON, July 10, 1918.

In addition to the railroads named in Circular No. 33, the following railroads are included in the Northwestern Region:

Baltimore & Ohio Chicago Terminal R. R.	Chicago Junction Ry. Chicago, Milwaukee & Gary R. R.
Belt Railway of Chicago.	Chicago River & Indiana R. R.
Butte, Anaconda & Pacific Ry. Co.	Chicago Union Station Co.
Calumet Western Ry.	Chicago & Western Indiana R. R.
Camas Prairie R. R.	Copper Range R. R.
Chicago Heights Terminal Transfer R. R.	Des Moines Union Ry.

Des Moines Western Ry.	Minneapolis & Eastern Ry.
Duluth & Iron Range R. R.	Minnesota Transfer Ry.
Duluth, Missabe & Northern Ry.	Ontonagon R. R.
Duluth, South Shore & Atlantic Ry.	Oregon Electric Ry.
Elgin, Joliet & Eastern Ry.	Pacific Coast R. R.
Englewood Connecting Ry.	Port Townsend & Puget Sound Ry.
Escanaba & Lake Superior R. R.	St. Charles Air Line.
Ft. Dodge, Des Moines & Southern R. R.	St. Paul Bridge & Terminal Ry.
Green Bay & Western R. R.	St. Paul Union Depot Co.
Indiana Harbor Belt R. R.	Sioux City Terminal Ry.
Iowa Transfer Ry.	South Chicago & Southern R. R.
Lake Superior Terminal & Transfer Ry. Co.	Stock Yards Terminal Ry. Co. of St. Paul.
Mineral Range R. R.	Union Stock Yards Co. of Omaha.
Minneapolis Belt Line Co.	Waterloo, Cedar Falls & Northern Ry.
	Waupaca-Green Bay Ry.

W. G. McADOO,
Director General of Railroads.

CIRCULAR No. 34.

WASHINGTON, June 11, 1918.

Effective this date, the Central Western Region is hereby created, and Mr. Hale Holden is appointed regional director, with office in Chicago, Ill. The Central Western Region will comprise the following lines: Atchison, Topeka & Santa Fe Railway; Chicago, Rock Island & Pacific Railway (except St. Louis to Kansas City; lines east of El Reno; lines El Reno to Memphis and branches, and south of Chickasha); Chicago, Peoria & St. Louis Railroad; Chicago & Alton Railroad; Chicago & Eastern Illinois Railroad; Chicago, Terre Haute & Southeastern Railway; Chicago, Burlington & Quincy Railroad; Colorado & Southern Railway; Denver & Rio Grande Railroad; El Paso & Southwestern System; Illinois Central Railroad (north of Cairo and Paducah); Los Angeles & Salt Lake Railroad; Northwestern Pacific Railroad; Oregon Short Line Railroad; Quincy, Omaha & Kansas City Railroad Southern Pacific Lines (west of El Paso and Ogden, except north of Ashland, Oreg.); St. Joseph & Grand Island Railway; Union Pacific Railroad; Western Pacific Railroad.

W. G. McADOO,
Director General of Railroads.

SUPPLEMENT NO. 1 TO CIRCULAR No. 34.

WASHINGTON, July 10, 1918.

In addition to the railroads named in Circular No. 34, the following railroads are included in the Central Western Region:

Arizona Eastern R. R. Co.
Atchison & Eastern Bridge Co.
Atchison Union Depot & R. R. Co.

Colorado Springs & Cripple Creek District Ry.
Denver Union Terminal Ry.

Evansville & Indianapolis R. R.
 Kansas City Connecting R. R.
 Keokuk Union Depot Co.
 Leavenworth Depot & R. R. Co.
 Ogden Union Railway & Depot Co.
 Pan Handle & Santa Fe Ry.

Peoria & Pekin Union Ry.
 Pueblo Union Depot & R. R. Co.
 Riverside, Rialto & Pacific Ry.
 Salt Lake City Union Depot & R. R. Co.
 Toledo, Peoria & Western Ry.
 Wichita Union Terminal Ry.

The following railway is transferred from the Southwestern Region to the Central Western Region: Wabash Railway (Lines West of the Mississippi River).

W. G. McADOO,
Director General of Railroads.

CIRCULAR No. 35.

WASHINGTON, June 11, 1918.

Effective this date, the Southwestern Region is hereby created, and Mr. B. F. Bush is appointed regional director, with office in St. Louis, Mo. The Southwestern Region will comprise the following lines: Fort Worth & Denver City Railway; Fort Worth & Rio Grande Railway; Gulf, Colorado & Santa Fe Railway; Gulf Coast Lines; Galveston, Harrisburg & San Antonio Railway; Houston & Texas Central Railroad; Houston, East & West Texas Railway; International & Great Northern Railroad; Kansas City Southern Railway; Louisiana & Arkansas Railway; Louisiana Railway & Navigation; Louisiana Western Railroad; Midland Valley Railroad; Missouri Pacific Railway System; Missouri, Kansas & Texas Lines; Morgan's Louisiana & Texas Railroad & Steamship; Rock Island Lines (south of Chickasha, El Reno to Memphis and branches, and St. Louis to Kansas City); St. Louis-San Francisco Railroad; St. Louis Southwestern Railway; San Antonio & Aransas Pass Railway; Texas & Pacific Railway; Texas & New Orleans Railroad; Wabash Railroad (St. Louis to Kansas City and Omaha); Wichita Falls & Northwestern Railway; Texas Midland Railroad; Wichita Valley Railway.

W. G. McADOO,
Director General of Railroads.

SUPPLEMENT NO. 1 TO CIRCULAR NO. 35.

WASHINGTON, July 10, 1918.

In addition to the railroads named in Circular No. 35, the following railroads are included in the Southwestern Region:

Abilene & Southern Ry.
 Alton & Southern Ry.
 East St. Louis National Stock Yards Co.
 East St. Louis & Suburban Ry.
 Fort Worth Belt R. R.

Fort Worth Union Passenger Station Co.
 Galveston, Houston & Henderson R. R.
 Houston Belt & Terminal Ry.
 Houston & Brazos Valley Ry.
 Illinois Terminal R. R.

Joplin Union Depot Co.
 Kansas City, Mexico & Orient Lines.
 Litchfield & Madison Ry.
 Missouri & Illinois Bridge & Belt Ry.
 Oklahoma Belt Ry.
 St. Joseph Belt Ry.
 St. Joseph Union Depot Co.
 St. Louis & Belleville Electric Ry.
 St. Louis Merchants Bridge Terminal Ry.
 St. Louis National Stock Yard Co.
 St. Louis & O'Fallon Ry.

St. Louis, Troy & Eastern R. R.
 San Antonio, Uvalde & Gulf R. R.
 Southern Illinois & Missouri Bridge Co.
 Terminal Railroad Association of St.
 Louis.
 Texas Midland R. R.
 Trans-Mississippi Terminal R. R.
 Union Terminal Co. of Dallas.
 Vicksburg, Shreveport & Pacific Ry.
 West Tulsa Belt Ry.
 Wiggins Ferry Co.

The following railway is transferred from the Central Western Region to the Southwestern Region:

Chicago, Rock Island & Pacific Railway (Tucumcari, N. M., to El Reno, Okla.; south of Harrington, Kansas, to Chickasha, Okla., including branches).

W. G. McADOO,
Director General of Railroads.

CIRCULAR NO. 36.

WASHINGTON, D. C., June 12, 1918.

I am deeply gratified to learn of the large number of railroad employees who have subscribed for the third issue of Liberty bonds, and I desire to express my appreciation of the patriotism and loyalty they have exhibited in this time of national peril.

A large number of railroad employees will receive substantial amounts of back payments resulting from the increase of wages authorized by General Order No. 27. These payments will be made to employees by the respective railroads as promptly as the amounts for each of the months from January to June can be computed.

I earnestly urge upon every railroad employee who has thus secured increases in pay for the future and who will receive back payments from January 1, 1918, to invest as much as he possibly can in the war savings stamps issued by the United States Treasury. These war savings stamps are not only an investment of the safest and best quality, but they accrue interest at the rate of 4 per cent per annum, compounded quarterly. Every man who invests in war savings stamps can get his money back in full from the Government at any time upon 10 days' notice, and with interest at a rate somewhat less than 4 per cent, if he requests payment before the maturity of the stamps. If he keeps the stamps until maturity—namely, until the 1st of January, 1923, he will receive his money back in full with interest added at the rate of 4 per cent per annum, compounded quarterly.

Our heroic boys are now actually fighting in the battles which are raging along the western front in France. They are dying for us,

giving their lives freely and heroically that the liberties of mankind shall be preserved. Every man who buys war savings stamps is helping these boys because he is helping to keep his Government provided with the money which it must have to enable those boys to fight victoriously or to die gloriously. I hope every railroad employee who can do so will invest to the limit of his means and ability in these war savings stamps of the United States Government.

W. G. McADOO,

Director General of Railroads.

CIRCULAR No. 37.

WASHINGTON, June 12, 1918.

Effective June 1, 1918, Oscar A. Price, heretofore private secretary to the Director General, is hereby appointed assistant to the Director General of Railroads.

W. G. McADOO,

Director General of Railroads.

CIRCULAR No. 38.

WASHINGTON, D. C., June 21, 1918.

To all railroad companies:

In conformity with General Order No. 29, Railway Board of Adjustment No. 2 met in the city of Washington at its office, Room 702, Southern Railway Building, Washington, D. C., and have organized and are ready for the transaction of such business as may come before it as provided in General Order No. 29.

The officers and members of this board as follows:

E. F. Potter, chairman.	W. S. Murrian.
F. J. McNulty, vice chair- man.	W. H. Penrith.
A. C. Adams.	Geo. W. Pring.
H. J. Carr.	E. A. Sweeley.
Otto E. Hoard.	R. J. Turnbull.
F. H. Knight.	G. C. Van Dornes.

The board has designated the following dates as the beginning of each of its regular monthly meetings during the remaining portion of the year 1918:

July 2.	September 3.	November 5.
August 6.	October 1.	December 3.

Attention is called to the provisions of the memorandum of understanding annexed to General Order No. 29, as follows:

Article 10 provides the manner in which controversies will be submitted to the board through the Division of Labor of the United

States Railroad Administration. Every case submitted should be accompanied by evidence that its submission is approved by the chief operating officer of the railroad upon which the controversy has arisen and by the chief executive officer of the organization concerned. Where two or more organizations are jointly concerned the submission should be joint, if practicable.

Article 11 expressly precluded a consideration by the Railway Board of Adjustment No. 2 of any matter unless officially referred to it in the manner prescribed in the memorandum of understanding.

Article 14 requires that in each case an effort should be made to present a joint concrete statement of facts as to any controversy. Statements of facts, whether joint or separate, should be sufficiently comprehensive to give an understanding of the controversy that the board is called upon to decide. Where briefs or additional evidence are to follow, notice thereof should accompany the submission. Where additional matter is to follow the submission, the case will not be transmitted to the Board of Adjustment by the Division of Labor until the additional data shall have been received.

It is requested that three copies of the joint concrete statement be filed with the Division of Labor for matter of record and for the information of the board. Briefs and documentary evidence need not be furnished in duplicate but, whenever possible, should be attached to the three copies of the joint statement.

W. G. McADOO,
Director General of Railroads.

CIRCULAR NO. 39.

WASHINGTON, July 3, 1918.

Order No. 13 created Railroad Board of Adjustment No. 1, to which Board all disputes between railway employees, members of certain organizations, and the several railroads, that can not be satisfactorily adjusted, are to be referred for investigation and disposition. Order No. 29 creating Railroad Board of Adjustment No. 2 carries with it a like assignment of duties. Where controversies are not amicably adjusted and where they do not fall within the provisions of General Orders 13 and 29, they are to be referred to the Director, Division of Labor, United States Railroad Administration.

My attention has been called to an arbitration held by agreement between the employes and officials of a certain railroad to adjust matters in controversy in a different manner than that prescribed herein.

In order that uniformity of application of decisions affecting labor matters may be preserved, no agreement should be reached between

officials and employes of any railroad to adjust their differences in any other manner than prescribed in Orders 13 and 29, and by other orders hereafter issued.

W. G. McADOO,
Director General of Railroads.

CIRCULAR NO. 40.

WASHINGTON, July 3, 1918.

Effective this date Mr. T. C. Powell will, in addition to his duties as Manager of Inland Traffic, War Industries Board, act as Special Representative of the United States Railroad Administration with that Board.

W. G. McADOO,
Director General of Railroads.

CIRCULAR NO. 41.

WASHINGTON, July 10, 1918.

The following railroads are added to the Eastern Region:

Akron & Barberton Belt R. R.	Detroit Terminal R. R.
Akron Union Passenger Depot Co.	Indianapolis Union Ry.
Boston Terminal Co.	Jay Street Terminal (New York).
Brooklyn Eastern District Terminal R. R.	Kentucky & Indiana Terminal R. R.
Buffalo Creek R. R.	New York Dock Co. R. R.
Central Union Depot of Cincinnati.	Toledo Terminal R. R.
Dayton & Union R. R.	Troy Union R. R.
Dayton Union Ry.	Zanesville Terminal R. R.
Detroit, Bay City & Western Ry.	

W. G. McADOO,
Director General of Railroads.

CIRCULAR NO. 42.

WASHINGTON, July 10, 1918.

The following railroads are added to the Southern Region:

Alabama & Vicksburg Ry.	Mississippi Central R. R.
Birmingham & Northwestern Ry.	New Orleans Great Northern R. R.
Memphis Union Station Co.	Winston-Salem Southbound Ry. Co.

The following railway is transferred from the Southwestern to the Southern Region:

St. Louis-San Francisco Ry. (between Memphis and Birmingham).
W. G. McADOO,
Director General of Railroads.

CIRCULAR NO. 43.

WASHINGTON, July 17, 1918.

To officers and employees of railroads under Federal control:

A large number of railroad men, by the purchase of Liberty bonds, are now holding an investment security for the first time. A large majority of the bonds so held are coupon bonds. Coupon bonds must be carefully guarded against loss or theft. They are payable to bearer. If they are lost, payment of them can not be stopped, and they can not be replaced by the Treasury Department.

Coupon bonds are suitable for investors who possess safe-deposit boxes. Registered bonds are provided to meet the needs of persons who have no safe places of deposit.

Registered bonds are issued in the name of the owner, which appears on the face. The interest is paid by United States check, drawn to the order of the owner, and sent him by mail. If a registered bond is stolen, the thief can not use it except by forgery, and the payment of the bond or the interest checks may be stopped. The bond itself may be replaced on proof of loss and if proper security is given.

Registered bonds are the best suited for the great majority of railroad men. The number of coupon bonds outstanding in the hands of railroad men, many of them kept, doubtless, in places affording no real security, is such a vast aggregate amount that it causes serious concern.

This is a wholly unnecessary risk. The Director General of Railroads therefore strongly advises that you

REGISTER YOUR LIBERTY BONDS.

Officials of all railroads under Federal control are requested to give all information and assistance within their power to employees desiring to register their Liberty bonds.

Directions appear on the reverse side of this circular, not only for registering your Liberty bonds, but also for converting the $3\frac{1}{2}$ per cent bonds and 4 per cent bonds into bonds paying $4\frac{1}{4}$ per cent interest.

W. G. McADOO,
Director General of Railroads.

DIRECTIONS FOR REGISTRATION AND CONVERSION.

REGISTRATION.

In order to register a coupon bond, the simplest way is to consult a reputable, local banker; otherwise, a letter to the Secretary of the Treasury (Division of Loans and Currency), Washington, will get you "Form 1031," which will contain blank spaces for all the infor-

mation which the Treasury Department needs to issue the registered bond in your name. The coupon bond must then be forwarded with this blank to the Secretary of the Treasury (Division of Loans and Currency), Washington, or to any Federal Reserve Bank, by express at its declared value, or in any other way protecting the owner against possible loss.

The Treasury Department makes no charge whatsoever for registering bonds. The registered bond will be delivered to the owner by registered mail, without expense.

CONVERSION.

If the coupon bond to be exchanged for a registered bond is a $3\frac{1}{2}$ or 4 per cent bond, it may be converted (until Nov. 9, next) into a $4\frac{1}{4}$ per cent bond, at the same time that it is forwarded for registration. This may be done through the banker also. The Secretary of the Treasury (Division of Loans and Currency) will send, on request, "Form L. & C. 25." This form contains the request for conversion on the face, and, on the back, under "No. 1," the request to register the bond; so that the whole transaction (both conversion and registration) may be handled on the one form. Hence, if you merely want to register, ask for "Form 1031"; if you wish both to register and to convert into bonds bearing the higher interest rate, ask for "Form L. & C. 25."

If the bonds to be converted are the First Loan $3\frac{1}{2}$ per cent bonds, the dates of payment of interest are such that the United States must be paid the difference between $3\frac{1}{2}$ and $4\frac{1}{4}$ per cent from June 15 to the date of payment. The bondholder gets this money back on December 15, because the interest payable on that date is at the rate of $4\frac{1}{4}$ per cent from June 15. The amount of the interest adjustment in this special case of the $3\frac{1}{2}$ per cent bonds will be shown in a table that the Treasury Department will furnish on request. (Interest Table No. 4.) For example, on a \$100 bond converted on July 15 he would have to pay six cents. The money may be paid by post office or express money order, payable to the order of "Treasurer of the United States, Second Conversion Account."

No payment is necessary if $3\frac{1}{2}$ per cent bonds are merely to be registered without converting into $4\frac{1}{4}$ per cent bonds.

The Treasury Department issues detailed regulations covering registration and conversion of bonds, known as Circulars No. 100 and No. 114, which may be had, on request, from the Treasury Department or Federal Reserve Banks.

Registered Liberty bonds which have been issued in exchange for coupon bonds may be reexchanged for coupon bonds at any time. Bonds once converted into bonds of a higher interest rate can not be reconverted.

CIRCULAR No. 44.

WASHINGTON, July 29, 1918.

First. Wherever street or road construction and other public improvements are contemplated by the authorities in any state, county, district, or municipality, for which a portion of the cost in an amount exceeding Five Hundred Dollars (\$500.00) is to be charged against any railroad under Federal control, the authorities are requested to take the matter up with the Federal management of the road directly interested and secure the concurrence of the Railroad Administration in advance.

Second. In the event this is not done, the Director General will reserve the right to decide whether or not he will participate in the payment.

Third. It is not the attitude of the Director General to oppose construction of this character which is meritorious and essential. The Director General feels, however, that in the present stress as to the essential labor and material supply all work of this kind which can be postponed without injury should not be undertaken, and the railroad should not be expected to participate in the payment unless the expenditure is indispensable.

W. G. McADOO,
Director General of Railroads.

CIRCULAR No. 44-A.

WASHINGTON, December 30, 1918.

Circular No. 44, dated July 29, 1918, is hereby canceled.

W. G. McADOO,
Director General of Railroads.

CIRCULAR No. 45.

WASHINGTON, D. C., July 26, 1918.

Effective this date, Mr. L. G. Scott is appointed Acting Treasurer of the United States Railroad Administration vice Mr. A. D. McDonald (Vice-President and Controller of the Southern Pacific Company), Acting Treasurer, resigned.

W. G. McADOO,
Director General of Railroads.

CIRCULAR No. 46.

WASHINGTON, August 7, 1918.

Effective July 29, 1918, the Short Line Section of the Division of Public Service and Accounting has been created, and Mr. Edward C. Niles has been appointed Manager, with office at Washington, D. C.

The Short Line Section will be charged with the duty of seeing that Short Line roads which are being operated by their owners whether under Federal control based upon contract or whether definitely relinquished from Federal control receive a fair division of rates, fair treatment in the routing of traffic, and a reasonable share of the available car supply, and such helpful cooperation from the United States Railroad Administration as is consistent with present war conditions, and that in general in their relation to other railroads they are fairly dealt with.

W. G. McADOO,
Director General of Railroads.

CIRCULAR No. 47.

WASHINGTON, D. C., August 17, 1918.

The Operating Department of the Pullman Company, now under Federal control, will hereafter be known as the PULLMAN CAR LINES.

Mr. L. S. Taylor is appointed Federal Manager of the Pullman Car Lines, effective this date, with office in the Pullman Building, Chicago, Ill.

The Federal Manager of the Pullman Car Lines will have jurisdiction over all departments, reporting to the Director, Division of Operation.

W. G. McADOO,
Director General of Railroads.

CIRCULAR No. 48.

WASHINGTON, August 22, 1918.

A Freight Claim Section of the Division of Law is hereby established, with jurisdiction over all matters pertaining to loss and damage freight claims and their prevention.

Mr. John H. Howard is appointed manager, with office in Southern Railway Building, Washington, D. C.

W. G. McADOO,
Director General of Railroads.

CIRCULAR No. 49.

WASHINGTON, August 22, 1918.

Effective August 1, 1918, the handling of loss and damage freight claims and the prevention of causes of such claims will be placed in charge of freight claim agents, reporting to the head of the legal department of each railroad.

Claims for personal injury and damage to property, other than freight, will be handled by the legal department.

Overcharge and relief claims will be handled by the accounting department.

W. G. McADOO,
Director General of Railroads.

CIRCULAR NO. 50.

WASHINGTON, August 22, 1918.

To promote efficiency and public convenience in the service rendered by the railroads I have caused to be organized a "Bureau for Suggestions and Complaints" as more fully shown in the subjoined notice.

This Bureau has been placed in charge of Theodore H. Price, Actuary to the United States Railroad Administration. In this work he will have the assistance of Mr. Ballard Dunn, who is hereby appointed Assistant Actuary to the United States Railroad Administration.

The attached notice shall be permanently displayed in all stations and passenger coaches under control of the United States Railroad Administration and when practicable shall also be displayed on all time-tables, dining car menus and other printed matter prepared for public distribution.

W. G. McADOO,
Director General of Railroads.

UNITED STATES RAILROAD ADMINISTRATION.

W. G. McADOO, DIRECTOR GENERAL OF RAILROADS,

WASHINGTON, D. C.

To the Public:

I desire your assistance and cooperation in making the railroad service while under Federal control in the highest possible degree satisfactory and efficient.

Of course, the paramount necessities of the war must have first consideration.

Our gallant sons who are fighting in France and on the high seas can not be adequately supported unless the railroads supply sufficient transportation for the movement of troops and war materials and to keep the war industries of the Nation going without interruption.

The next purpose is to serve the public convenience, comfort, and necessity to the fullest extent not incompatible with the paramount demands of the war.

In order to accomplish this, criticisms and suggestions from the public will be extremely helpful, whether they relate to the service rendered by employees and officials or impersonal details that may convenience or inconvenience patrons of the railroad. It is impossible for even the most vigilant management to keep constantly in touch with local conditions and correct them when they are not as they should be, unless the public will cooperate in pointing out deficiencies and disservice when they exist, so that the proper remedies may be applied.

BUREAU FOR SUGGESTIONS AND COMPLAINTS.

I have, therefore, established a Bureau for Suggestions and Complaints in the Director General's office at Washington, to which the public is invited to resort.

Aside from letters of complaint and suggestion, the public can render a genuine service by sending letters of commendation of employees who are conspicuously courteous and efficient in the performance of their duties. Nothing promotes the esprit of a great organization more than recognition from time to time of those employees who perform their duties faithfully and commendably.

It is requested that all communications be brief and explicit and that the name and address of the writer be distinctly written.

Also give the time of day or night, the number of the train, the name of the railroad, and, if possible, the name of the employee whose conduct is complained of or whose services are commended, together with such other information as will enable me to take appropriate action.

Please address

W. G. McADOO,
Director General of Railroads,
Bureau for Suggestions and Complaints,
Washington, D. C.

CIRCULAR No. 51.

WASHINGTON, August 27, 1918.

In order to raise sufficient money to arm, equip, and support our gallant soldiers and sailors, to finance our other war activities, and to extend necessary credits to our allies, to enable them to continue the war against the German military despotism, the Fourth Liberty Loan campaign will begin September 28, 1918. Every loyal American must invest in the securities of his Government to the limit of his ability if America is to triumph in this war.

Railroad men and women are doing a vital service for their country. They responded patriotically to the appeal of the Government in the First, Second, and Third Liberty Loan campaigns, and I hope that they have bought liberally of War Savings Stamps. They are also operating the railroads, which is war service of primary importance. I am sure that they count it a glorious privilege to do this vital work for their country. I deeply appreciate what they have already done, but there is more to do, and I am sure that they will do more if the way is pointed out to them.

The enormous sums required to finance democracy's part in the war impose a new duty upon each and every one of us. Liberty Loans must be offered from time to time until the Kaiser is licked to a finish. Each of these loans must be subscribed in full. No patriotic American will have performed his duty by subscribing to one loan only, or by buying a few War Savings Stamps. Each and every one should practice every possible economy, save every possible dollar, and buy as many Liberty Bonds as he can afford every time a Liberty Loan is offered to the country.

In the Fourth Liberty Loan campaign which is just ahead of us I wish to make a special appeal to every railroad employee to go the limit in lending of his available means to Uncle Sam. Now is the time to prepare for that campaign by saving every possible dollar, so that each may be ready to do his part before the subscription closes. Hundreds of thousands of employees in the railroad service of the United States have received, or will receive, checks for back pay, in accordance with the provisions of the Wage Order I approved May 25, 1918, and Supplement No. 4 to General Order 27, issued on July 25, 1918. No employee can make better use of his back pay than to lend it to the Government at interest thus securing an investment of absolute safety for himself and building up a reserve for a rainy day.

You must remember that you are not asked to *give* your savings to the Government; you are asked merely to *lend* your money to your Government—and for what purpose? To back the millions of the finest American boys ever collected together in a great Army, and to help them fight irresistibly for our lives, liberties, and vital interests. One and a half million of these splendid boys are already in France, and already they have given the Kaiser a dose from which he is staggering and from which he will not recover. But the pressure must be kept up. Arms, ammunition, and food supplies of all kinds must go forward in a continuous stream if the pressure is to be maintained. It depends upon us who stay at home to keep the pressure applied. We must lend our money to our Government, lend it to the limit, so that the Government may in turn put in the hands of our splendid sons the things without which they can not fight and without which the defeat of the Kaiser and his hateful military despotism can not be accomplished.

I want the railroad men and women of the United States to do more, if possible, than anybody else, because I want them to be among the first always in patriotism, in service, and in sacrifice to our great and glorious country. We have the Kaiser groggy—let us keep hitting hard now until he is counted out.

W. G. McADOO,
Director General of Railroads.

CIRCULAR NO. 52.

WASHINGTON, D. C., August 21, 1918.

Effective September 1, 1918, Mr. H. B. Walker is appointed Federal Manager of the Coastwise Steamship Lines, with office Southern Pacific Pier 49, North River, New York.

The Coastwise Steamship Lines will include the properties now under Federal control of the

Old Dominion Steamship Co.,
 Ocean Steamship Co.,
 Southern Steamship Co.,
 Merchants & Miners Transportation Co.,
 Mallory Steamship Co.,
 Clyde Steamship Co.,
 Southern Pacific Co.—Atlantic Steamship Lines.

The Federal Manager of the Coastwise Steamship Lines will have jurisdiction over all departments, reporting to the Director, Division of Operation.

W. G. McADOO,
Director General of Railroads.

CIRCULAR No. 53.

WASHINGTON, D. C., September 5, 1918.

The Division of Inland Waterways is hereby created and Mr. G. A. Tomlinson is appointed Director thereof, with office in Washington, D. C.

Mr. H. S. Noble is hereby appointed Federal Manager of the New York and New Jersey Canals to succeed Mr. Tomlinson.

The Federal Manager of the New York and New Jersey Canals, the Federal Manager of the Mississippi-Warrior Waterways, and the Managers of any other Federal systems of Inland water transportation hereafter created by the Director General will report to the Director of the Division of Inland Waterways.

The Director of the Division of Inland Waterways will take over the records and unfinished work of the Committee on Inland Waterways which is hereby discontinued, its principal functions having been discharged by the investigations and reports which it has already made.

W. G. McADOO,
Director General of Railroads.

CIRCULAR No. 54.

[Circular No. 54—A changes title of Insurance and Fire Protection Section.]

WASHINGTON, D. C., September 3, 1918.

The Insurance and Fire Protection Section has been established in the Division of Finance and Purchases and in supervising this Section Mr. John Skelton Williams, the Director of the Division, will be assisted by Mr. Theodore H. Price, Actuary to the Railroad Administration.

Mr. Charles N. Rambo, formerly Superintendent and Secretary of the Mutual Fire Marine and Inland Insurance Company, Philadelphia, has been appointed Manager of the Insurance and Fire Protection Section with headquarters in the Premier Building, No. 718—18th Street NW., Washington, D. C.

In the work devolving upon it the Insurance and Fire Protection Section will have the cooperation of an Advisory Committee of which Mr. Theodore H. Price is Chairman. The other members of the Committee are Mr. R. M. Bissell (President of the Hartford Fire Insurance Co., Hartford, Connecticut, and also Chairman of the National Conservation Committee and the National Board of Fire Underwriters); Mr. Charles E. Mather of Philadelphia; Mr. D. R. McLennan, of Chicago, and Mr. A. M. Schoen, a civil and electrical fire protection engineer and expert, at present Chief Engineer of the Southeastern Underwriters Association of Atlanta, Georgia, and also a member of various National and other consulting boards throughout the United States.

The Insurance and Fire Protection Section will have its own force of general inspectors and loss investigators, reporting directly to it at Washington, and through the Division of Operation will communicate to the Regional Directors and the officers and employees of the operating force under them with regard to the work of fire prevention and inspection on all railways under control of the United States Railroad Administration, with the object of utilizing existing organizations as they may be available, reorganizing them when it may be necessary, and establishing adequate fire protection and inspection organizations for those properties upon which no such organization is now maintained.

Prompt compliance with the recommendations of the Insurance and Fire Protection Section received through the channels designated, will be required from all officials of the railroads.

The heavy fire losses throughout the country and the recent destruction by fire in and on the railroad properties emphasize the need of increased vigilance in applying the latest and most effective methods of fire prevention, and it is especially essential that the officials and employees shall with renewed energy cooperate in the reduction of the hazard and the unnecessary fire waste.

It is believed that if every employee can be made to feel an alert consciousness of responsibility for this loss, that it can be substantially reduced, thus effecting an important saving in the cost of operation and avoiding the interference with and delay of traffic that fires cause. To this end the earnest cooperation of every employee of the United States Railroad Administration is desired and requested.

W. G. McADOO,
Director General of Railroads.

CIRCULAR No. 54-A.

WASHINGTON, October 22, 1918.

The name of the Insurance and Fire Protection Section, established by Circular No. 54, dated September 3, 1918, is hereby changed to The Fire Loss and Protection Section.

W. G. MCADOO,
Director General of Railroads.

CIRCULAR No. 55.

WASHINGTON, September 13, 1918.

Effective September 1, 1918, the Marine Section of the Division of Transportation, the creation of which was announced in Circular No. 5, has been discontinued.

Coastwise steamship lines under Federal control will be under the jurisdiction of the Federal Manager as announced in Circular No. 52.

Shipping on the Great Lakes under Federal control will be under the jurisdiction of the Regional Director, Eastern Region.

W. G. MCADOO,
Director General of Railroads.

CIRCULAR No. 56.

WASHINGTON, September 18, 1918.

The patriotic support of railway employees to the Third Liberty Loan was more than gratifying. On some railroads practically every employee became a subscriber for one or more of these bonds.

Now that the Fourth Liberty Loan is about to begin, I earnestly urge all railroad officials and employees to cooperate in securing a "100 per cent" result on every railroad. I believe that where the officials and employees unite in a patriotic support the response will be even more gratifying than that to the Third Liberty Loan.

I realize that there are many instances where railroad employees are not financially able to assume additional obligations. In such instances there should be no criticism of the failure of an employee to subscribe to the Fourth Liberty Loan. I believe, however, that when the urgency of the need is presented to employees that few will fail in their financial support of the Government.

My attention has been called to the fact that in the past loans many employees have subscribed through their banks and through other agencies than the railroads. No criticism should be made against employees for subscribing to bonds in this way, but it is a matter of pride to the Railroad Administration that the employees on each railroad shall receive the credit for all subscriptions they make.

Government bonds are the safest investment in the world, and in making such an investment railroad employees at the same time have an opportunity to help win the war and give needed support to our noble sons and brothers who are risking and giving their lives upon the battle fields and upon the seas.

I hope that 100 per cent of the railroad employees will subscribe to the bonds of the Fourth Liberty Loan. I can think of nothing more inspiring than the great body of railroad employees effectively banded together to work for the success of the Fourth Liberty Loan, and I urge upon each railroad employee patriotically to do his share. In this way we can shorten the war, save many lives, and bring a glorious victory to America and to democratic principle everywhere.

W. G. McADOO,
Director General of Railroads.

FOURTH LIBERTY LOAN DETAILS.

The Fourth Liberty Loan campaign will begin on September 28 and close October 19, and in order to encourage employees to subscribe thereto Federal managers are authorized to take such amount of the bonds as may be necessary to care for such subscriptions, and current Federal funds may be used as far as necessary in paying for such bonds.

Final details of the bonds have not yet been determined, but the law which authorizes an additional issue of bonds provides that they shall be of the same general character as the bonds of the Third Liberty Loan. The rate of interest will be $4\frac{1}{4}$ per cent, but the maturity of the bonds will be later determined by the Secretary of the Treasury, as will also the dates on which interest payments will be made. The bonds will be issued in denominations of \$50, \$100, \$500, \$1,000, and upward, and may be obtained in either registered or coupon form. Interest on registered bonds is paid by check from the United States Treasury Department, and interest on coupon bonds is represented by detachable coupons, collectible through any post office or bank.

Officers and employees will be permitted to pay in installments covering a period of not exceeding eight months, provision being made so that such installments may be paid by deduction on the pay roll.

In connection with the Third Liberty Loan it was permitted that payments on new subscriptions might begin at the expiration of the period covering installment payments on subscriptions to the Second Liberty Loan, in order to avoid making payment on both subscriptions at the same time.

For that reason payment to the Third Liberty Loan in many cases will not be completed until June, 1919. Since the last loan, however, employees generally have received substantial increases in wages, and therefore it is unnecessary to avoid the making of payments on two subscriptions at the same time.

Payments on subscriptions to the Fourth Liberty Loan may, however, when the subscriber is also making payments on subscriptions to the Third Liberty Loan, commence with the month of January, 1919, the period of eight months running therefrom. In cases where employees are not making payments on subscriptions to Third Liberty Loan bonds, payments shall begin with the pay roll for the last half of October, 1918.

Employees will be credited with interest on bonds during the period of installment payments, and will be charged interest on deferred payment both at $4\frac{1}{4}$ per cent. When the last installment payment is made the bond will be delivered to the sub-

scriber. Adjustment of interest will be made in the last month's installment payment. Coupon (covering interest which matures during the period of installment payments) will be detached by the Federal Treasurer and the interest collected. Subscribers will, however, receive proper proportionate credit on account of such coupons in the adjustment of interest to be made in the last installment payment, as described above.

Should employees leave the service before completion of the payments, the amount paid will be refunded without interest.

Employees may pay for bonds in full at the time of subscription; or, if they subscribe on the installment plan, they may at any time pay up the unpaid installments in full and receive the bonds.

Employees should not hesitate to place their subscription with the Federal treasurer of the road on which they are employed for fear that their local district may not receive credit for subscriptions, for arrangements are being made so that the subscriptions of railroad employees will be reported according to their homes, and the local district will in each case receive corresponding credit to apply toward its quota.

Instructions are being issued to regional directors relative to the formation of committees, etc., to organize and promote this work, with which committee when appointed all railroad employees are urged to cooperate.

While bonds are being issued in both coupon and registered form, I advise and urge that employees subscribe for registered bonds, which in case of loss or destruction by fire will be replaced by the United States Treasury

CIRCULAR NO. 56-A.

WASHINGTON, September 18, 1918.

The patriotic support of railway employees and of employees of steamships under control of the Director General to the Third Liberty Loan was more than gratifying. On some lines practically every employee became a subscriber for one or more of these bonds.

Now that the Fourth Liberty Loan is about to begin, I earnestly urge all officials and employees to cooperate in securing a "100 per cent" result on every line. I believe that where the officials and employees unite in a patriotic support the response will be even more gratifying than that to the Third Liberty Loan.

I realize that there are many instances where employees are not financially able to assume additional obligations. In such instances there should be no criticism of the failure of an employee to subscribe to the Fourth Liberty Loan. I believe, however, that when the urgency of the need is presented to employees that few will fail in their financial support of the Government.

My attention has been called to the fact that in the past loans many employees have subscribed through their banks and through other agencies than the railroads and steamship lines. No criticism should be made against employees for subscribing to bonds in this way, but it is a matter of pride to the Railroad Administration that the employees on each line shall receive the credit for all subscriptions they make.

Government bonds are the safest investment in the world, and in making such an investment employees at the same time have an

opportunity to help win the war and give needed support to our noble sons and brothers who are risking and giving their lives upon the battle fields and upon the seas.

I hope that 100 per cent of the employees of the Director General of Railroads will subscribe to the bonds of the Fourth Liberty Loan. I can think of nothing more inspiring than the great body of railroad and steamship employees effectively banded together to work for the success of the Fourth Liberty Loan, and I urge upon each employee patriotically to do his share. In this way we can shorten the war, save many lives, and bring a glorious victory to America and to democratic principle everywhere.

W. G. McADOO,
Director General of Railroads.

FOURTH LIBERTY LOAN DETAILS.

The Fourth Liberty Loan campaign will begin on September 28 and close October 19, and in order to encourage employees to subscribe thereto Federal managers are authorized to take such amount of the bonds as may be necessary to care for such subscriptions, and current Federal funds may be used as far as necessary in paying for such bonds.

Final details of the bonds have not yet been determined, but the law which authorizes an additional issue of bonds provides that they shall be of the same general character as the bonds of the Third Liberty Loan. The rate of interest will be 4½ per cent, but the maturity of the bonds will be later determined by the Secretary of the Treasury, as will also the dates on which interest payments will be made. The bonds will be issued in denominations of \$50, \$100, \$500, \$1,000, and upwards, and may be obtained in either registered or coupon form. Interest on registered bonds is paid by check from the United States Treasury Department, and interest on coupon bonds is represented by detachable coupons, collectible through any post office or bank.

Officers and employees will be permitted to pay in installments covering a period of not exceeding eight months, provision being made so that such installments may be paid by deduction on the pay roll.

In connection with the Third Liberty Loan it was permitted that payments on new subscriptions might begin at the expiration of the period covering installment payments on subscriptions to the Second Liberty Loan in order to avoid making payment on both subscriptions at the same time.

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Payments on subscriptions to the Fourth Liberty Loan may, however, when the subscriber is also making payments on subscriptions to the Third Liberty Loan, commence with the month of January, 1919, the period of eight months running therefrom. In cases where employees are not making payments on subscriptions to Third Liberty Loan bonds, payments shall begin with the pay roll for the last half of October, 1918.

Employees will be credited with interest on bonds during the period of installment payments and will be charged interest on deferred payment both at 4½ per cent. When the last installment payment is made, the bond will be delivered to the subscriber. Adjustment of interest will be made in the last month's installment pay-

ment. Coupon (covering interest which matures during the period of installment payments) will be detached by the Federal Treasurer and the interest collected. Subscribers will, however, receive proper proportionate credit on account of such coupons in the adjustment of interest to be made in the last installment payment, as described above.

Should employees leave the service before completion of the payments, the amount paid will be refunded without interest.

Employees may pay for bonds in full at the time of subscription; or, if they subscribe on the installment plan, they may at any time pay up the unpaid installments in full and receive the bonds.

Employees should not hesitate to place their subscription with the Federal treasurer of the road on which they are employed for fear that their local district may not receive credit for subscriptions, for arrangements are being made so that the subscriptions of railroad employees will be reported according to their homes, and the local district will in each case receive corresponding credit to apply toward its quota.

Instructions are being issued to regional directors relative to the formation of committees, etc., to organize and promote this work, with which committee when appointed all railroad employees are urged to cooperate.

While bonds are being issued in both coupon and registered form, I advise and urge that employees subscribe for registered bonds, which in case of loss or destruction by fire will be replaced by the United States Treasury.

CIRCULAR No. 57.

WASHINGTON, D. C., September 18, 1918.

To the Regional Directors:

I attach statement issued by the Provost Marshal General on September 9 to employers and other representatives of industry urging their cooperation in the classification of the new registrants under the selective-service act. In addition to the instructions already issued, on and after September 9, with a view to such cooperation, you are hereby instructed to see that the railroad officers shall, in presenting or supporting claims for deferred classification before district boards, present the following to such boards as a statement of the policy of the United States Railroad Administration and of the general reasons in support of the claims made for deferred classification:

All applications made by officers of railroads under Federal control for deferred classification for railroad officers and employees and all affidavits made by railroad officers in support of claims for such deferred classification are made by them as officers of the United States Railroad Administration and by my authority and in pursuance of a general policy which in my judgment must be adopted in order to meet the war responsibilities which rest upon the railroads under Federal control.

The Government of the United States has taken possession and control of the railroads as a war measure, and their efficient and unhampered operation is indispensable to the successful conduct of the war.

The essential character of the railroad industry as a war enterprise is not open to dispute. Indeed, in contrast with nearly all war industries, the railroad industry is one of the very few which has actually become a Government enterprise because of its essential character for war purposes.

In such circumstances the men who are necessarily employed in rail transportation in this country are as truly employed in an indispensable war service as are our soldiers and sailors.

Since the railroads are indispensable and the branches of the service to which the employees belong are indispensable, I understand the remaining questions for consideration by the district board are whether a particular employee can be dispensed with (1) on the ground that the railroad has more of such employees than it needs, or (2) upon the ground that it can readily replace such employees with others.

Please state to the district board, with my full authority, that after eight and a half months of a thorough and continuing study of this subject, being constantly in touch with employers of railroad labor, the representatives of the railroad employees, and the representatives of the labor situation generally for the whole country, there is no surplus whatever of employees for running the railroads, and there is no surplus supply of labor from which new employees can be drawn to replace those who may be taken for military service. Any competent railroad employee taken from an indispensable branch of the railroad service will be subtracted from a force which is already too small and which can not be adequately replenished. The taking of any such employee by any district board would be a step tending to injure the war operations of some railroads. The taking of such steps by numerous district boards would in the aggregate constitute a cumulative and far-reaching injury to the United States Railroad Administration and would destroy the purpose for which the Government took possession of such control of the railroads.

The scarcity of skilled railroad employees is in part due to the fact that up to the present time the railroads of the country, in addition to meeting their full share of the demands of men for general military service, have been subjected to the peculiar disability that they alone, out of all the industries of the country, have had to furnish large numbers of men for special military service. Hundreds of miles of military railroads in France are being operated for the military forces of the United States who have been drawn from the ranks of the skilled officers and employees of railroads in this country. In this way the drain upon skilled railroad labor has already been proportionately greater than the drain upon skilled labor of other industries, and this in part accounts for the exceptional shortage of skilled railroad labor which confronts the United States Railroad Administration.

It must also be clear that employees in these classes can not be supplied by the employment and training of new employees. Practically without exception these employments are not suited to women, but able-bodied and vigorous men are needed for the discharge of the duties. These men are not available in adequate numbers and will become less and less available as the war progresses. Besides, untrained men can not perform the functions, and if skilled railroad employees are taken for military service the substitution of untrained employees, even if available, would prove destructive to efficient railroad operation.

It is desired that the understanding and sympathetic cooperation of the district boards shall be sought in all instances. We are all striving for the same end, and that is to win the war. To the extent that railroad men can be spared from railroad service for military service we ought to spare them. But to the extent that they are needed for railroad service the district boards should not attempt to take them for military service.

The United States Railroad Administration intends to ask for deferred classification only when the men on whose behalf the request is made are needed in the public interest for the continued performance of their duties and when experienced substitutes can not be found. And the district boards, upon whom rests the responsibility for preserving the necessary labor supply for essential occupations, should be urged to grant, in the interest of the national needs and with a nation-wide view of the controlling factors, the applications for deferred classification which are supported by the United States Railroad Administration.

Instructions have been issued through the regional directors to all officials of railroads under Federal control to see that proper applications are made for deferred classification for all necessary railroad employees and to support such applications vigorously, and at the same time to avoid making applications wherever reasonably practicable.

It is the patriotic duty of the men who are considered necessary for the operation of the railroads to claim deferred classification and to furnish the district boards with the necessary information in their answers to questionnaires to show the basis for such classification. Every man who is helping in these necessary occupations to operate the railroads in this country is rendering not only a service indispensable to the war but a service that is as praiseworthy and creditable as any war service could be.

W. G. McADOO,
Director General of Railroads.

WAR DEPARTMENT,
OFFICE OF THE PROVOST MARSHAL GENERAL,
Washington, September 9, 1918.

To Employers and Other Representatives of Industry:

The time has come when I must address to you some recommendations as to your share of responsibility in the classification of the new registrants under the selective-service act. I have noticed in the general expressions of the public attitude which reach this office two frequent features which lead me to the present comments. One of these features is the belief that the process of awarding deferred classification to a registrant requires merely the filling out of the Questionnaire and that the selective-service boards will perceive the propriety of making the deferment without the assistance furnished by the registrant's formal claim indicating the deferment desired. The other feature is the employer's failure to realize his responsibility to intervene in aiding the board's determination and therefore to inform himself fully on all the considerations which should affect the decision as to deferment. Both of these features are due to a single larger fact, viz., a failure on the part of many to reflect on the industrial considerations governing deferred classification.

1. As to the first-mentioned belief, it must be pointed out that if it were universally acted upon, the process of classification would be seriously hampered and delayed. Some one *must* indicate that the individual case is one which should arrest the special attention of the boards in respect to the registrant's occupational status. The boards do not possess a superhuman omniscience. Nor are they permitted by circumstances to devote unlimited time to the search of Questionnaires for possible grounds of claim. In 1917, out of more than 3,000,000 registrants called, only 140,000 filed occupational claims, or 4.7 per cent; thus 95 per cent of all registrants raised no question of such deferment. Under the Questionnaire system the exact scrutiny of every page of this 95 per cent of Questionnaires presenting no occupational claims would have been an intolerable expenditure of time, involving a delay fatal to the speed and decisive action necessary for filling the Army.

The boards will do all that they possibly can on their own initiative to reach a just decision by a complete examination of the Questionnaire, even where no claim is expressly made, following in this respect the spirit of the Secretary of War's statement made before the House Committee on Military Affairs on August 19 last: "It is not easily possible—it is, perhaps, not possible at all—to do that without some aids from the men affected; but as far as it is possible, we ought to have the facts developed by the answers to the questions which the man makes and call on him for as little aid as we can in determining whether or not he is to be exempted." A registrant is therefore at liberty, if he sees fit, to trust to the scrutiny of the boards to discover the necessity for his deferment.

Nevertheless the boards will welcome and will need all the aid that can be furnished by the indication of a claim made for deferment. With this aid the process will become a simple and speedy one. Time and labor will not be wasted on needless search, and ample time will be gained for thorough attention to those cases explicitly raising a question of occupational deferment.

But who is to make that claim? Ordinarily, the registrant himself will indicate the claim on his Questionnaire. But if, through mistaken chivalry, he should fail to do so, another may make it for him. In industry, agriculture, or other occupations, this other person will naturally be his employer or some other representative of his associated group. And this brings me to the second feature above mentioned.

2. Why should the employer, or other third person in such cases, make the claim? Because the employer in this situation represents the Nation—because, in the statutory phrase, "the maintenance of the Military Establishment or of national interest during the emergency" requires that some well-advised third person should look after that national interest, which the registrant himself may not have sufficiently considered.

It is at this point that I wish to address to employers, and other representatives, the suggestion that they charge themselves, more systematically than hitherto, with this responsibility. I have above referred to such third persons as "well advised," and this is the place to emphasize to employers the importance of making themselves well advised for the execution of this duty.

How many employers, having charge of some industrial or other occupational group, have hitherto taken pains to inform themselves systematically which of their employees are registrants and which are not? How many have studied carefully the required conditions for occupational deferment as laid down in the President's regulations pursuant to the statute? How many have made it a point to survey their entire plant so as to single out the really indispensable individuals? With the oncoming of a more extensive registration an even larger outlook is necessary. The general industrial conditions, the supply of skilled men in the industry at large, the possibilities of training substitutes, the availability of women workers—these are some of the considerations which bear directly on the need of occupational deferment as related to the need of the Army.

Moreover, it is often forgotten that the selective draft is only one element in the depletion of a particular industry's man power. A second and large element is found in the voluntary withdrawals for enlistment; how large this is may be seen from the circumstance that the total inductions by draft have reached some 2,000,000, while the total enlistments in Army and Navy amount to some 1,400,000—nearly three-quarters as many. A third element, very large, but unknown as to its precise extent, has been the transfer of labor power from one industry to another, i. e., into the distinctly war industries offering the inducement of higher wages. How relatively small, in actual effect, has been the effect of the selective draft is seen in the fact that, for all the occupations represented in the 8,700,000 classified registrants of January, 1918, the percentage of the entire industrial population represented by the Class I registrants amounted to only 6 per cent. It ran as low as 3 per cent for some occupations, and correspondingly higher for some other occupations; but the national average was only 6 per cent. Any notably larger depletions in particular industries must therefore have been due, partly to enlistments, and in probably greater degree, to voluntary transfers into other industries.

These other influences are therefore to be kept in mind by employers and others in weighing the question whether the best solution, in the national interest, is to ask for the deferment of individuals or groups of men. Such deferments may assist the immediate situation in the particular establishment, but they merely force the Army and the Navy to seek elsewhere for the same number of men thus deferred. The quantitative needs of the military forces are known and imperative, and any given quantity of deferments will ultimately have to be made up by the depletion of some other occupation. Thus, it becomes the employer's duty to consider these largest aspects of deferment in seeking that solution of his own problem which best comports with the national interest.

My present object is to urge upon employers the duty and responsibility of becoming well advised in all these matters, of equipping themselves with full information as to the extent to which their particular establishment is affected by the liability of registrants to military service, of observing the extent to which other influences of depletion have affected it and the degree in which other methods of supply can relieve that depletion, and of laying these facts and other pertinent ones before the industrial advisers now to be placed at each district board, to the end that those individuals or groups who are indispensable and irreplaceable should receive deferment, whether or not they have made claim for it, and that the Army and the Navy should not be deprived of its proper supply of man power by ill-considered deferments not absolutely demanded by the national interest.

The cessation of enlistments will henceforth protect industry against one irregular and uncontrollable source of derangement. It will correspondingly throw upon the selective-draft system the greater responsibility for an intelligent and discriminating selection made in the light of industrial needs. But this responsibility if shared by employers and all who represent groups of workers. To fulfill this responsibility they must now prepare themselves even more carefully than hitherto. They will find the boards heartily ready to cooperate with them to the utmost.

The keynote of purpose for all of us ought to be, and I am sure will be, that wise and profoundly significant phrase in the act of Congress under which we operate, "the maintenance of the Military Establishment or the effective operation of the military forces, or the maintenance of national interest during the emergency."

CIRCULAR NO. 58.

WASHINGTON, D. C., *September 25, 1918.*

The Committee on Health and Medical Relief for the United States Railroad Administration is hereby appointed, consisting of the following:

Dr. D. Z. Dunott, Chairman,
Dr. G. W. Cale, Jr.,
Dr. Victor G. Heiser,
Dr. T. R. Crowder,
Dr. H. M. Bracken.

The committee will establish an office in Washington and will conduct a survey of, and submit recommendations in connection with, the proper protection of the health of employees and patrons of the railroads under Federal control.

W. G. McADOO,
Director General of Railroads.

CIRCULAR NO. 59.

WASHINGTON, *September 30, 1918.*

All banks and trust companies in which funds of the U. S. Railroad Administration or of the various Federal Treasurers are deposited will be notified that in future they will be required to pay interest at the following rates:

On deposits payable by check on demand.....	2% per annum.
On time deposits payable after thirty days from date or after thirty days' notice.....	3% per annum.

These rates will apply to all railroad deposits in all banks except in special cases where, because of the smallness of the account or the particularly fluctuating character of the balance, it may be considered proper not to require the payment of interest.

An investigation recently made shows that the rates of interest allowed by banks which pay interest on railroad deposits has ranged

all the way from 2% to 5% per annum, and the higher rates paid have been used by some banks as an excuse for excessive rates charged to customers.

The Director General expects banks designated as railroad depositaries to observe faithfully the interest laws of their respective States and not to charge rates of interest in excess of those permitted by law.

It is of great importance to the public welfare, to the financing of the war, and to the commerce of the Nation that interest rates throughout the Country shall be kept at a moderate level or within a reasonable range.

W. G. McADOO,
Director General of Railroads.

CIRCULAR No. 60.

WASHINGTON, October 22, 1918.

Effective October 8, 1918, the Marine Insurance Section has been established in the Division of Finance and Purchases and Mr. William C. DeLanoy appointed Manager thereof with office in Washington, D. C. In supervising this Section Mr. John Skelton Williams, the Director of the Division, will be assisted by Mr. Theodore H. Price, Actuary of the Railroad Administration.

The Marine Insurance Section will be charged with the duty of providing for such insurance as the Director General may desire against marine and war risks on vessels and floating equipment under the control of the United States Railroad Administration, and on the contents of such vessels and floating equipment, and with adjustment of marine insurance losses, and shall perform such other duties as may be assigned to it by the Director General as to insurable risks connected with the operation of such vessels and floating equipment.

W. G. McADOO,
Director General of Railroads.

CIRCULAR No. 61.

WASHINGTON, October 25, 1918.

To relieve the railroad telephone and telegraph facilities from unnecessary business the following rules are issued:

1. Use the telegraph and telephone *only* when the mail will not answer the purpose.
2. Send by mail messages written late in the day, on Saturday afternoons, Sundays or holidays which can not be acted upon at once and which will reach their destination by mail in ample time for action.

3. Omit superfluous words; avoid unnecessary file numbers and references—**BE BRIEF.**
4. Use telegraph code systems where it will effect a saving.
5. Limit the use of telephone facilities, both railroad and commercial, to railroad business and to the shortest time practicable.
6. The Telegraph Section, Division of Operation, will establish an effective system of censoring with a view of reducing the number and length of telegraphic communications.

W. G. McADOO,
Director General of Railroads.

CIRCULAR No. 62.

WASHINGTON, November 1, 1918.

Effective this date, Mr. Charles A. Lutz is appointed Treasurer of the United States Railroad Administration vice Mr. L. G. Scott (Comptroller of the Wabash Railway Company), Acting Treasurer, resigned.

W. G. McADOO,
Director General of Railroads.

CIRCULAR No. 63.

WASHINGTON, November 8, 1918.

The war has caused a large increase in the volume and the variety of dangerous articles that must be moved over the railroads in the interests of the national defense, and the frequent necessity for the greatest possible expedition in these movements requires expert attention so as to minimize the danger to life and property incident to this traffic.

The Bureau for the Safe Transportation of Explosives and other Dangerous Articles is a recognized agency of the United States Railroad Administration, and the instructions issued by this Bureau are with the approval of the Director General. Operating railroad officials must take prompt and adequate action to remedy any conditions on their lines that are not in accord with the requirements of the Federal regulations as shown by the reports of the inspectors of the Bureau.

W. G. McADOO,
Director General of Railroads.

CIRCULAR No. 64.

WASHINGTON, November 22, 1918.

A practice has grown up by which officers and employees of railroads have been given Christmas and other holiday presents by shippers, and by business houses who furnish supplies and materials to railroads.

While in many instances these presents do not represent material value, yet the practice is essentially objectionable, and it is the policy of the Railroad Administration that it should be discontinued entirely.

W. G. McADOO,
Director General of Railroads.

CIRCULAR No. 65.

WASHINGTON, November 22, 1918.

To ALL RAILROAD COMPANIES:

In conformity with General Order No. 53, Railway Board of Adjustment No. 3 met in the City of Washington at its office, Room 702-A, Southern Railway Building, Washington, D. C., and have organized and are ready for the transaction of such business as may come before it as provided in General Order No. 53.

The officers and members of this Board are as follows:

H. A. Kennedy, Chairman.	S. N. Harrison.
T. H. Gerrey, Vice Chairman.	F. Hartenstein.
Richard P. Dee.	G. E. Kipp.
E. A. Gould.	W. A. Titus.

The Board has designated the following dates as the beginning of each of its regular monthly meetings during the remaining portion of the year 1918 and for the year 1919:

December 11, 1918.	June 4, 1919.
January 8, 1919.	July 9, 1919.
February 5, 1919.	August 6, 1919.
March 5, 1919.	September 4, 1919.
April 2, 1919.	October 1, 1919.
May 7, 1919.	November 5, 1919.

Attention is called to the provisions of the memorandum of understanding annexed to General Order No. 53, as follows:

Article 10 provides the manner in which controversies will be submitted to the Board through the Division of Labor of the United States Railroad Administration. Every case submitted should be accompanied by evidence that its submission is approved by the

Chief Operating Officer of the Railroad upon which the controversy has arisen and by the Chief Executive Officer of the Organization concerned. Where two or more organizations are jointly concerned, the submission should be joint, if practicable.

Article 11 expressly precluded a consideration by the Railway Board of Adjustment No. 3 of any matter unless officially referred to it in the manner prescribed in the memorandum of understanding.

Article 14 requires that in each case an effort should be made to present a joint concrete statement of facts as to any controversy. Statements of fact, whether joint or separate, should be sufficiently comprehensive to give an understanding of the controversy that the Board is called upon to decide. Where briefs, or additional evidence are to follow, notice thereof should accompany the submission. Where additional matter is to follow the submission, the case will not be transmitted to the Board of Adjustment by the Division of Labor until the additional data shall have been received.

It is requested that three copies of the joint concrete statement be filed with the Division of Labor for matter of record and for information of the Board. Briefs and documentary evidence need not be furnished in duplicate, but whenever possible, should be attached to the three copies of the joint statement.

It will be noted that Supplement No. 6 to General Order No. 27, bearing date of August 30th, 1918, has modified Article 9 of General Order 53 to the extent that interpretations to wage orders will be issued in accordance with the provisions of Supplements 6 and 6-A.

W. G. McADOO,
Director General of Railroads.

CIRCULAR No. 66.

WASHINGTON, December 1, 1918.

Effective this date the following railroads are transferred from the Eastern to the Allegheny Region:

1. Pennsylvania Lines west of Erie and Pittsburgh; Cincinnati, Lebanon & Northern Railway and Lorain, Ashland & Southern Railroad, Mr. G. L. Peck, Federal Manager, Pittsburgh, Pa.

2. Baltimore & Ohio Railroad west of Parkersburg and Pittsburgh, and Dayton & Union Railroad, Mr. C. W. Galloway, Federal Manager, Cincinnati, Ohio.

Until otherwise advised by Regional Director Markham, Mr. H. A. Worcester, District Director, will in respect of these properties con-

tinue in his present capacity, reporting to Mr. Markham, and in respect of the lines under his jurisdiction in the Eastern Region reporting to Regional Director Smith.

W. G. MCADOO,
Director General of Railroads.

CIRCULAR No. 67.

WASHINGTON, December 5, 1918.

In cases of loss of or damage to property by fire while under Federal control, the matter should be handled on the following basis:

First: Reports of all fires involving property under Federal control are to be made in accordance with instructions heretofore or hereafter issued by the Regional Directors as directed by the Division of Finance and Purchases Fire Loss Protection Section.

Second: In the case of damage by fire to any property under Federal control, other than rolling stock equipment, which will be governed by special rules or practices now or hereafter in force, there should be an immediate determination by the Federal Manager, subject to the approval of the Regional Director, as to rebuilding.

Third: If the decision is to rebuild either in kind or on a different plan or with enlargements, the Federal Manager, with the approval of the Regional Director, shall determine upon such expenditures as may be required for the replacement of property in so far as such expenditures are chargeable to operating expenses. The approval of the Director of the Division of Capital Expenditures shall be secured in all cases involving expenditures chargeable to additions and betterments.

Fourth: Adjustments of fire losses, other than loss of rolling stock equipment, are to be made as between the corporation and the United States Railroad Administration as follows:

An immediate effort should be made through the staffs of the Federal Managers to arrive at an agreement with the corporation as to the value of the property of the corporation destroyed or the amount of the damage due to the fire at the time of the fire, in case the property is not restored or replaced, or as to the cost of restoration or replacement thereof, chargeable to operating expenses, and the cost of such part of the restoration or replacement as is chargeable to investment in road and equipment, respectively. Such agreement shall be subject to the approval of the Regional Director and of the Directors of the Divisions of Finance and Purchases and of Public Service and Accounting and shall be filed by the Federal Manager with his Federal Auditor. In case of failure to agree with the corporation, the

amounts chargeable shall be determined under regulations established by the Director of Public Service and Accounting.

W. G. McADOO,

Director General of Railroads.

CIRCULAR No. 68.

WASHINGTON, December 26, 1918.

Effective this date the Pittsburgh & Lake Erie, the Monongahela, the Pittsburgh & West Virginia, and the West Side Belt Railroad are transferred from the Allegheny Region to the Eastern Region, and the Grand Rapids & Indiana Railroad is transferred from the Eastern Region to the Allegheny Region.

W. G. McADOO,

Director General of Railroads.

CIRCULAR No. 69.

WASHINGTON, December 30, 1918.

Effective January 1, 1919, the Secret Service branch of the Claims and Property Protection Section of the Division of Law is terminated, and instead thereof the Secret Service and Police Section of the Division of Operation is created.

Mr. W. J. Flynn is appointed Chief of the Secret Service and Police Section, with office in Southern Railroad Building, Washington, reporting to the Director, Division of Operation, effective January 1, 1919.

The Chief of the Secret Service and Police Section will deal through the Regional Directors as to matters affecting the Police Service of the various railroads under the jurisdiction of the several Regional Directors.

W. G. McADOO,

Director General of Railroads.

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